Please scan this QR code to view the Draft Red Herring Prospectus.

DRAFT RED HERRING PROSPECTUS
Dated: December 28, 2022
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

HONASA CONSUMER LIMITED

Corporate Identity Number: U74999DL2016PLC306016

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka – South West Delhi, New Delhi – 110 075, India	Plot No. 63, 4th Floor, BLM Tower, Netaji Subhash Marg, Sector- 44, Gurugram 122 003, Haryana, India	Dhanraj Dagar *Company Secretary and Compliance Officer*	**Email:** compliance@mamaearth.in **Telephone:** +91 124 4071960	www.honasa.in

THE PROMOTERS OF OUR COMPANY ARE VARUN ALAGH AND GHAZAL ALAGH

DETAILS OF THE OFFER

Type	Fresh Issue size	Offer for Sale size	Total Offer size	Eligibility and reservation
Fresh Issue and Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million	Offer for Sale of up to 46,819,635 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made in accordance with Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, (“**SEBI ICDR Regulations**”). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors and Eligible Employees, see “*Offer Structure*” on page 350.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)#
Varun Alagh	Promoter Selling Shareholder	Up to 3,186,300 Equity Shares aggregating up to ₹ [●] million	Negligible*
Ghazal Alagh	Promoter Selling Shareholder	Up to 100,000 Equity Shares aggregating up to ₹ [●] million	Negligible*
Evolvence India Coinvest PCC, invested through its Cell E	Investor Selling Shareholder	Up to 220,613 Equity Shares aggregating up to ₹ [●] million	173.64
Evolvence India Fund III Ltd	Investor Selling Shareholder	Up to 862,987 Equity Shares aggregating up to ₹ [●] million	173.82
Fireside Ventures Fund	Investor Selling Shareholder	Up to 7,972,478 Equity Shares aggregating up to ₹ [●] million	7.33
Sofina	Investor Selling Shareholder	Up to 19,133,948 Equity Shares aggregating up to ₹ [●] million	112.07
Stellaris	Investor Selling Shareholder	Up to 12,755,965 Equity Shares aggregating up to ₹ [●] million	7.82
Kunal Bahl	Other Selling Shareholder	Up to 777,672 Equity Shares aggregating up to ₹ [●] million	3.21
Rishabh Harsh Mariwala	Other Selling Shareholder	Up to 477,300 Equity Shares aggregating up to ₹ [●] million	6.05
Rohit Kumar Bansal	Other Selling Shareholder	Up to 777,672 Equity Shares aggregating up to ₹ [●] million	3.21
Shilpa Shetty Kundra	Other Selling Shareholder	Up to 554,700 Equity Shares aggregating up to ₹ [●] million	41.86

 # As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
**Negligible as below 0.01*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹10. The Floor Price, Cap Price and Offer Price (determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 109 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 35.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholder or any other person(s).

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Names and Logos of the BRLMs	Contact Person	E-mail and Telephone
Kotak Mahindra Capital Company Limited	Ganesh Rane	**E-mail:** honasa.ipo@kotak.com **Tel:** +91 22 4336 0000
Citigroup Global Markets India Private Limited	Vedika Chitnis	**E-mail:** honasaipo@citi.com **Tel:** +91 22 6175 9999
JM Financial Limited	Prachee Dhuri	**E-mail:** honasa.ipo@jmfl.com **Tel:** + 91 22 6630 3030
J.P. Morgan India Private Limited	Nidhi Wangnoo/ Dev Pinto	**E-mail:** HONASA_IPO@jpmorgan.com **Tel:** +91 22 6157 3000

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)	M Murali Krishna	**E-mail:** hcl.ipo@kfintech.com **Tel:** +91 40 6716 2222

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON*	**[●]***	**BID/ OFFER OPENS ON**	**[●]**	**BID/ OFFER CLOSES ON****	**[●]*****

* *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

HONASA CONSUMER LIMITED

Our Company was incorporated as 'Honasa Consumer Private Limited' at New Delhi as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 16, 2016, issued by the RoC. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Honasa Consumer Limited' pursuant to a Shareholder's resolution dated October 26, 2022 and a fresh certificate of incorporation dated November 11, 2022 was issued by the RoC. For details in relation to changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 170.

Registered Office: Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka – South West Delhi, New Delhi – 110 075, India

Corporate Office: Plot No. 63, 4th Floor, BLM Tower, Netaji Subhash Marg, Sector-44, Gurugram 122 003, Haryana, India

Telephone: +91 124 4071960; **Contact person**: Dhanraj Dagar, Company Secretary and Compliance Officer

E-mail: compliance@mamaearth.in; **Website**: www.honasa.in; **Corporate Identity Number**: U74999DL2016PLC306016

THE PROMOTERS OF OUR COMPANY ARE VARUN ALAGH AND GHAZAL ALAGH

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF HONASA CONSUMER LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 46,819,635 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO 3,186,300 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VARUN ALAGH AND UP TO 100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY GHAZAL ALAGH (THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 220,613 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY EVOLVENCE INDIA COINVEST PCC, INVESTED THROUGH ITS CELL E, UP TO 862,987 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY EVOLVENCE INDIA FUND III LTD, UP TO 7,972,478 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY FIRESIDE VENTURES INVESTMENT FUND – I (A SCHEME OF FIRESIDE VENTURES INVESTMENT TRUST) ACTING THROUGH ITS TRUSTEE CATALYST TRUSTEESHIP LIMITED (ERSTWHILE MILESTONE TRUSTEESHIP SERVICES PVT LTD) AND DULY REPRESENTED BY ITS INVESTMENT MANAGER, FIRESIDE INVESTMENT ADVISORY LLP, UP TO 19,133,948 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SOFINA VENTURES S.A. AND UP TO 12,755,965 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY STELLARIS VENTURE PARTNERS INDIA I, (A SCHEME OF STELLARIS VENTURE PARTNERS INDIA TRUST) ACTING THROUGH ITS TRUSTEE CATALYST TRUSTEESHIP LIMITED (ERSTWHILE MILESTONE TRUSTEESHIP SERVICES PVT LTD) AND DULY REPRESENTED BY ITS INVESTMENT MANAGER STELLARIS ADVISORS LLP (THE "INVESTOR SELLING SHAREHOLDERS"), AND UP TO 777,672 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KUNAL BAHL, UP TO 477,300 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RISHABH HARSH MARIWALA, UP TO 777,672 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ROHIT KUMAR BANSAL AND UP TO 554,700 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SHILPA SHETTY KUNDRA (COLLECTIVELY "OTHER SELLING SHAREHOLDERS")(THE PROMOTER SELLING SHAREHOLDERS, THE INVESTOR SELLING SHAREHOLDERS AND THE OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ 100 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S) OF [●] EQUITY SHARES FOR AN AMOUNT AGGREGATING UP TO ₹ 800 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER CONSTITUTING AT LEAST 10% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF AN ENGLISH NATIONAL DAILY NEWSPAPER [●] AND [●] EDITIONS OF A HINDI NATIONAL DAILY NEWSPAPER [●] (HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein, in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**" and such portion the "**QIB Portion**") provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which (a) one third portion shall be reserved for Bidders with application size of more than ₹0.20 million and up to ₹1.00 million; and (b) two-thirds of the portion shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion is either of such sub-categories may be allocated to Bidders in other sub-category of the Non-Institutional Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received above the Offer Price and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("**RIB**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of UPI Bidders (defined herein) using the UPI Mechanism), in which case the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism as applicable to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For further details, see "*Offer Procedure*" on page 354.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 109 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 35.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s)

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 376.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. C – 27 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +91 22 4336 0000 **E-mail**: honasa.ipo@kotak.com **Investor grievance e-mail**: kmccredressal@kotak.com **Website:** https://investmentbank.kotak.com/ **Contact Person**: Ganesh Rane **SEBI Registration No.**: INM000008704	**Citigroup Global Markets India Private Limited** 1202, 12th Floor, First International Financial Centre, G-Block, C54 & 55 Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India **Tel**: +91 22 6175 9999 **E-mail**: honasaipo@citi.com **Investor grievance e-mail**: investors.cgmib@citi.com **Website**: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Contact Person**: Vedika Chitnis **SEBI Registration No.**: INM000010718	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6630 3030 **E-mail**: honasa.ipo@jmfl.com **Investor grievance e-mail**: grievance.ibd@jmfl.com **Website**: www.jmfl.com **Contact Person**: Prachee Dhuri **SEBI Registration No.**: INM000010361	**J.P. Morgan India Private Limited** J.P. Morgan Tower Off CST Road, Kalina Santacruz East Mumbai 400 098 Maharashtra, India **Tel**: +91 22 6157 3000 **E-mail**: HONASA_IPO@jpmorgan.com **Investor grievance e-mail**: investorsmb.jpmipl@jpmorgan.com **Website**: www.jpmipl.com **Contact Person**: Nidhi Wangnoo and Dev Pinto **SEBI Registration No.**: INM000002970	**KFin Technologies Limited** (*formerly known as KFin Technologies Private Limited*) Selenium, Tower B, Plot No. 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: hcl.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration No.**: INR000000221

BID/ OFFER PROGRAMME

BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]

* *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

***The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for Offer Price", "History and Certain Corporate Matters", "Restated Ind AS Summary Statements", "Outstanding Litigation and Material Developments", "Offer Procedure", and "Description of Equity Shares and Terms of the Articles of Association" on pages 116, 120, 164, 109, 170, 201, 322, 354 and 372, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company"/ "the Company", "the Issuer"/ "Honasa"	Honasa Consumer Limited, a public limited company incorporated under the Companies Act, 2013 with its registered office at Unit No. 404, 4th Floor, City Center, Plot No. 05, Sector - 12, Dwarka – South West Delhi, New Delhi – 110 075
"we"/ "us" / "our" / "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, as at and during the relevant period/ Fiscal Year

Company Related Terms

Term	Description
"Articles of Association", "AoA", "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in "*Our Management - Committees of the Board – Audit Committee*" on page 186
August 2017 SHA	The shareholder's agreement dated August 23, 2017 entered into between and amongst the Company, Promoters, Fireside Ventures Fund, Vijay Nehra, Fireside Ventures Trust (acting through its trustee Kanwaljit Singh), Shashank Shekhar, Kunal Bahl and Rohit Kumar Bansal
August 2018 SHA	The shareholder's agreement dated August 25, 2018 entered into between and amongst the Company, Promoters, Shilpa Shetty Kundra, Suhail Sameer, Vijay Nehra, Shashank Shekhar, Fireside Ventures Trust (acting through its trustee Kanwaljit Singh), Fireside Ventures Fund, Kunal Bahl, Rohit Kumar Bansal, Stellaris and Rishabh Harsh Mariwala, in relation to their rights as shareholders of the Company
BBlunt	Bhabani Blunt Hairdressing Private Limited
B:Blunt Spratt	B:Blunt-Spratt Hairdressing Private Limited
"Board"/ "Board of Directors"	The Board of Directors of our Company, and where applicable or implied by context, includes or a duly constituted committee thereof
"Chief Executive Officer"/ "CEO"	Varun Alagh, chief executive officer of our Company
"Chief Financial Officer"/ "CFO"	Raman Preet Sohi, chief financial officer of our Company
"Chief Innovation Officer"/ "CIO"	Ghazal Alagh, chief innovation officer of our Company
Committee(s)	Duly constituted committee(s) of our Board of Directors

Term	Description
Company Secretary and Compliance Officer	Dhanraj Dagar, Company Secretary and Compliance Officer of our Company
Corporate Office	Plot No. 63, 4th Floor, BLM Tower, Netaji Subhash Marg, Sector-44, Gurugram 122 003, Haryana, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board – Corporate Social Responsibility Committee*" on page 190
"Preference Shares" or "NCCCPS"	Non-cumulative compulsory convertible preference shares of the Company, namely the Class A NCCCPS, Class B NCCCPS, Class C NCCCPS, Class D NCCCPS, Class E NCCCPS and Class F NCCCPS
Class A NCCCPS	0.001% class A compulsory convertible non-cumulative preference shares initially allotted to Kanwaljit Singh, managing trustee on behalf of Fireside Ventures Trust, Suhail Sameer, Vijay Nehra and Sashank Shekhar
Class B NCCCPS	0.001% class B compulsory convertible non-cumulative preference shares initially allotted to Fireside Ventures Fund, Kunal Bahl and Rohit Kumar Bansal
Class C NCCCPS	0.001% class C compulsory convertible non-cumulative preference shares initially allotted to Stellaris, Fireside Ventures Fund, Rishabh Harsh Mariwala, Kunal Bahl and Rohit Kumar Bansal
Class D NCCCPS	0.001% class D compulsory convertible non-cumulative preference shares initially allotted to Fireside Ventures Fund, Stellaris, SCI VI, Rishabh Harsh Mariwala and SCI Trust
Class E NCCCPS	0.001% class E compulsory convertible non-cumulative preference shares initially allotted to Sofina, Evolvence India Fund III Ltd and SCI VI
Class F NCCCPS	0.001% class F compulsory convertible non-cumulative preference shares initially allotted to SCI III
December 2019 SHA	Shareholder's agreement dated December 13, 2019 entered into between and amongst the Company, Promoters, Suhail Sameer, Vijay Nehra, Shashank Shekhar, Fireside Ventures Trust, Fireside Ventures Fund, Kunal Bahl, Rohit Kumar Bansal, Stellaris, Rishabh Harsh Mariwala, in relation to their rights as shareholders of our Company
Director(s)	Director(s) on our Board
EBO	Exclusive Brand Outlets
ESOP 2021	Honasa Consumer Limited Employees Stock Option Plan, 2021
ESOP 2018	Employee Stock Option Scheme, 2018
ESOP Schemes	Collectively, ESOP 2018 and ESOP 2021
Equity Shares	Equity shares of face value of ₹ 10 each of our Company
Executive Director(s)	Executive director(s) of our Company. For further details of our Executive Directors, see "*Our Management*" on page 180
Fireside Ventures Fund	Fireside Ventures Investment Fund I (a scheme of Fireside Ventures Investment Trust) acting through its trustee Catalyst Trusteeship Limited (erstwhile Milestone Trusteeship Services Private Limited) and duly represented by its Investment Manager Fireside Investment Advisory LLP
Fireside Ventures Trust	Fireside Ventures Trust (acting through the trustee Kanwaljit Singh)
Fusion	Fusion Cosmeceutics Private Limited
Independent Directors	The independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 180
July 2021 SHA	Shareholder's agreement dated July 2, 2021 entered into between and amongst the Company, Promoters, Suhail Sameer, Fireside Ventures Trust, Sofina, Fireside Ventures Fund, SCI VI, SCI Trust, Stellaris, Kunal Bahl, Rohit Kumar Bansal, Rishabh Harsh Mariwala, Evolvence India Fund III Ltd, in relation to their rights as shareholders of our Company

Term	Description
Just4Kids	Just4Kids Services Private Limited
"Key Managerial Personnel"/ "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management - Key Managerial Personnel*" on page 194
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended from time to time
Momspresso	A content platform operating under our Subsidiary, Just4Kids Services Private Limited
"Nomination and Remuneration Committee" or "NRC Committee"	The nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board - Nomination and Remuneration Committee*" on page 188
NielsenIQ or NIQ	NielsenIQ (India) Private Limited (formerly known as Nilsen (India) Private Limited)
NielsenIQ's Retail Measurement System	Information derived from NielsenIQ's retail measurement system. Such information reflects estimates of market conditions based on samples, and is prepared primarily as a marketing research tool for consumers, service providers and others in the industry. This information should not be viewed as a basis for investments and references to NielsenIQ should not be considered as NielsenIQ's opinion as to the value of any security or the advisability of investing in the company.
Non-Executive Director(s)	Non-executive director(s) of our Company. For further details of our Non-executive Directors, see "*Our Management*" on page 180
Promoters	Varun Alagh and Ghazal Alagh
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoters and Promoter Group*" on page 196
RedSeer	RedSeer Management Consulting Private Limited
"RedSeer Report" or "Industry Report"	The report titled "Report on Beauty and Personal Care Market in India" dated December, 2022, prepared and issued by RedSeer Management Consulting Private Limited, which has been commissioned by and paid for by our Company exclusively for the purposes of the Offer, pursuant to engagement letter dated July 7, 2022
Registered Office	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka – South West Delhi, New Delhi – 110 078, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
Restated Ind AS Summary Statements	The restated Ind AS Summary Statements comprises of: (a) Restated Ind AS Summary Statement of Assets and Liabilities of the Company and its subsidiaries, (the Company together with its subsidiaries hereinafter referred to as "**the Group**") as at March 31, 2022 and September 30, 2022, the Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Ind AS Summary Statement of Changes in Equity and the Restated Ind AS Summary Statement of Cash Flows for the year ended March 31, 2022 and period ended September 30, 2022 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Consolidated Summary Statements'); (b) Restated Standalone Ind AS Summary Statement of Assets and Liabilities as at March 31, 2021 and March 31, 2020, Restated Standalone Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Standalone Ind AS Summary Statement of Changes in Equity and the Restated Standalone Ind AS Summary Statement of Cash Flows for the year ended March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Standalone Summary Statements). The paragraph (a) and (b) above are collectively referred to as the "**Restated Ind AS Summary Statements"**. These Restated Ind AS Summary Statements have been prepared by the management as required under the SEBI ICDR Regulations, for the purpose of inclusion in this Draft Red Herring Prospectus in connection with the proposed initial public offering of equity shares of face value of ₹10 each of the Company, in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India

Term	Description
	(ICAI) (the "**Guidance Note**"). The Restated Ind AS Summary Statements has been compiled from: (a) Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable which was approved by the Board of Directors at their meeting held on August 31, 2022; (b) Audited Ind AS interim consolidated financial statements of the Group as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), which have been approved by the Board of Directors at their meeting held on December 15, 2022; (c) Audited Special Purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on December 15, 2022. Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 1, 2020 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("**Indian GAAP**" or "**Previous GAAP**") due to which the Special purpose Ind AS standalone financial statements were prepared as per SEBI Letter. The Special purpose Ind AS standalone financial statements are not the statutory financial statements under the Companies Act. The Special Purpose Ind AS Standalone Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications including the revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI Letter
Risk Management Committee	The risk management committee as described in "*Our Management Committees of the Board – Risk Management Committee*" on page 189
Sofina	Sofina Ventures S.A.
Stakeholders' Relationship Committee	The stakeholders' relationship committee as described in "*Our Management - Committees of the Board – Stakeholders' Relationship Committee*" on page 188
November 2016 SHA	Shareholder's agreement dated November 21, 2016 entered into between and amongst the Company, Promoters, Fireside Ventures Trust, Suhail Sameer, Vijay Nehra and Shashank Shekhar, in relation to their rights as shareholders of the Class A NCCCPS
SCI VI	SCI Investments VI
SCI	Collectively, SCI VI, SCI Trust and SCI III
SCI Trust	Redwood Trust
SCI III	Sequoia Capital Global Growth Fund III – U.S. / India Annex Fund L.P.

Term	Description
"SHA", "Shareholders' Agreement" or "December 2021 SHA"	The shareholder's agreement dated December 16, 2021 as amended pursuant to the amendment agreement dated February 4, 2022 entered into between and amongst the Company, the Promoters, Suhail Sameer, Fireside Ventures Trust, Sofina, Fireside Ventures Fund, SCI, Stellaris, Kunal Bahl, Rohit Kumar Bansal, Rishabh Harsh Mariwala and Evolvence India Fund III Ltd read with the waiver letter dated March 31, 2022 executed by and amongst the Company, the Promoters, SCI, Fireside Ventures Fund, Fireside Ventures Trust, Sofina, Stellaris, Evolvence India Fund III Ltd, Kunal Bahl, Rishabh Harsh Mariwala, Rohit Kumar Bansal and Suhail Sameer.
Shareholder(s)	The Shareholder(s) of our Company from time to time
"Statutory Auditors" or "Auditors"	S.R. Batliboi & Associates LLP, the statutory auditors of our Company
Stellaris	Stellaris Venture Partners India I, (a scheme of Stellaris Venture Partners India Trust) acting through its trustee Catalyst Trusteeship Limited (erstwhile Milestone Trusteeship Services Pvt Ltd) and duly represented by its investment manager Stellaris Advisors LLP
Subsidiaries	The direct subsidiaries of our Company, namely (i) BBlunt; (ii) Fusion; (iii) Just4Kids; (iv) Honasa Consumer General Trading LLC (Dubai); (v) PT. Honasa Consumer Indonesia; and the indirect Subsidiary of our Company, B:Blunt Spratt. For the purpose of the financial information, Subsidiaries would mean subsidiaries as at and during the relevant period/year. For further details, see "*History and Certain Corporate Matters – Our Subsidiaries"* on page 174
SHA Amendment Agreement	SHA Amendment Agreement dated December 15, 2022 to the Shareholders' Agreement
Whole-time Director(s)	A whole-time director of our Company. For further details, see "*Our Management*" on page 180

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot"/ "Allotment"/ "Allotted"	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offered Shares pursuant to the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bid"/ "Offer Period"	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price.

Term	Description
	The Anchor Investor Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
"ASBA Bidders"/ "ASBA Bidder"	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Banks, as the case maybe
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For further details, see "*Offer Procedure*" on page 354
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid. However, RIBs can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such RIBs mentioned in the Bid cum Application Form. Eligible Employees applying in the Employee Reservation Portion can apply at the Cut Off Price and the Bid Amount shall be Cap Price, multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires

Term	Description
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid"/ "Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in [●] editions of an English national daily newspaper [●] and [●] editions of a Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the revised Bid/ Offer Closing Date shall be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published
"Bid"/ "Offer Opening Date"	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be notified in [●] editions of an English national daily newspaper [●] and [●] editions of a Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation
"Bid"/ "Offer Period"	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder"/ "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers"/ "BRLMs"	The book running lead managers to the Offer, namely, Kotak, Citi, JM Financial and J.P. Morgan
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Confirmation of Allocation Note" / "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Banks Agreement	The cash escrow and sponsor banks agreement to be entered into between and amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Citi	Citigroup Global Markets India Private Limited

Term	Description
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account
“Collecting Depository Participant” / “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalised by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only RIBs in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders’ address, name of the Bidders’ father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=3 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs and HNIs bidding with an application size of ₹500,000 (not using UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” / “DRHP”	This draft red herring prospectus dated December 28, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Company or our Subsidiaries; or a Director of our Company, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii)

Term	Description
	Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA NDI Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating ₹ 100 million which shall not exceed [●]% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being, [●]
"First Bidder"/ "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
Investor Selling Shareholders	Collectively, Evolvence India Coinvest PCC, invested through its Cell E, Evolvence India Fund III Ltd, Fireside Ventures Fund, Sofina and Stellaris
JM Financial	JM Financial Limited
J.P. Morgan	J.P. Morgan India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Materiality Policy	The policy adopted by our Board on November 24, 2022 for identification of group companies, material outstanding litigation, and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between and amongst our Company and the Monitoring Agency

Term	Description
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	Gross Proceeds less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" on page 98
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders"/ "NIBs"	All Bidders that are not QIBs, RIBs or Eligible Employees and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1 million; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹1 million: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians"/ "NRI(s)"	A non-resident Indian as defined under the FEMA NDI Rules
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million, comprising the Net Offer and Employee Reservation Portion.
Offer Agreement	The offer agreement dated December 28, 2022 entered into between and amongst our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for Sale of up to 46,819,635 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale (net of their proportion of Offer-related expenses and the relevant taxes thereon) which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 98
Offered Shares	Up to 46,819,635 Equity Shares aggregating up to ₹ [●] million offered by the Selling Shareholders in the Offer for Sale.
Other Selling Shareholders	Collectively, Kunal Bahl, Rishabh Harsh Mariwala, Rohit Kumar Bansal and Shilpa Shetty Kundra
Pre – IPO Placement	Our Company in consultation with the BRLMs, may consider a further issue of Equity Shares as may be permitted under applicable law to any person(s) of [●] Equity Shares for cash consideration aggregating up to ₹ 800 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Term	Description
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers and will be advertised in [●] editions of an English national daily newspaper [●] and [●] editions of a Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter Selling Shareholders	Varun Alagh and Ghazal Alagh
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer, being not less than 75% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"QIBs"/ "QIB Bidders"/ "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus"/ "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/ Offer Opening Date shall be at least three Working Days after the filing of the Red Herring Prospectus with the RoC and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened and in this case being, [●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated December 23, 2022 entered into between and amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer"/ "Registrar"	KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
"Retail Individual Bidder(s)"/ "Retail Individual Investor(s)"/ "RII(s)"/ "RIB(s)"	Resident Indian individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs

Term	Description
Retail Portion	The portion of the Offer being not more than 10% of the Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
"RTAs" / "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SCORES	SEBI Complaints Redress System
SEBI Letter	E-mail dated June 24, 2022 received from the BRLMs, which confirms that we should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India to Association of Investment Bankers of India
"Self Certified Syndicate Bank(s)" / "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholders, the Investor Selling Shareholders and Other Selling Shareholders
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into between and amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank(s)	[●] and [●] being Bankers to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement to be entered into between and amongst our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]

Term	Description
"Syndicate" / "members of the Syndicate"	Together, collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into between and amongst our Company, the Selling Shareholders, and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) RIBs in the Retail Portion, (ii) Eligible Employees in Employee Reservation Portion; and (iii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	A password to authenticate a UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Technical, Industry related Terms or Abbreviations

Term	Description
Beauty Advisors	Personnel which work across our general trade outlets, modern trade outlets and EBOs to deliver a personalized experience to consumers and help them in their decision-making process
BPC	Beauty and personal care
B2B	Business-to-business
CAGR	Compounded annual growth rate, which is the average growth rate over the specified period of time
CCE	Content and creative excellence

Term	Description
CMI	Category and marketing insights
CPG	Consumer packaged goods
Consumer Conversations	Count of responses received against the questions asked in research studies conducted by us using our User Conversational Research tool on our brand websites
Crownit	GoldVIP Technology Solutions Private Limited
Crownit Survey	Online consumer market research study commissioned by us through Crownit, comprising of 12,997 consumer responses from individuals (males and females) in the 18-45 year old age group.
DIY	Do-it-yourself
DMS	Distributor management system
DTC	Direct-to-consumer
Digital-first brands	Brands which make at least 60% of their gross merchandise value ("GMV") from online channels (Source: *RedSeer Report*)
Digital-first Brand	Brands which make at least 60% of their gross merchandise value ("GMV") from online channels.
Distributor	Distributor refers to an entity which purchases products from us in the offline channel of distribution and further sells these products to retail outlets.
Districts Covered	Districts of India where at least one unit has been shipped during the six months period ended September 30, 2022
EBOs	Exclusive brand outlets that retail products of the Mamaearth brand and are owned and operated by the Company, with all premises held on a leasehold basis
ERP	Enterprise resource planning
ESG	Environmental, social and governance
Existing Customers	Existing customers, for a calendar month, refers to a customer who has placed at least one order prior to such calendar month
FMCG	Fast-moving consumer goods
General Trade Channel	General trade channel includes a network of general stores, open format stores, beauty and cosmetics-focused stores, chemists and grocery outlets
Influencer	Any person including beauty, fashion or lifestyle bloggers, makeup artists or celebrities who use content to influence decision of their subscribers and followers and are identified as a unique influencer by their YouTube channel or Instagram handle
Modern Trade Chains	Retail chain that buys products from us or a distributor and sells them through its stores
"Monthly Active Users" /"MAU"	Number of unique devices (laptops, mobile phones etc.) which have recorded at least one visit to a page/screen in a month.
Net Worth	Net worth means the aggregate value of the paid-up share capital including instruments entirely in the nature of equity and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net Worth is a non-GAAP measure in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
New SKU	SKUs launched during the calendar year ending December 31 of such financial year
Offline channel(s)	General trade, modern trade, Institutional Sales (sales made to other organizations or institutions, of B2B nature), and Export sales (sales made outside India, typically through distributors), supplemented by Exclusive Brand Outlets (EBOs) across India. General trade channel includes a network of general stores, open format stores, beauty and cosmetics-focused stores, chemists and grocery outlets."
OMS	Order management system
Online channel(s)	Third-party e-commerce marketplaces and direct-to-consumer (DTC) channel, which includes the Company's brand websites, mobile websites, and mobile applications
Pincode served	Count of PIN codes (out of 19,300 PIN codes as published by India Post on its website, i.e. www.indapost.gov.in/VAS/Pages/findpincode.aspx), where at least one unit has been shipped during the six months period ended September 30, 2022
Plastic consumed	Volume of plastic used in primary packaging of the products purchased by us.
Product	All SKUs providing the same core value proposition or ingredient formulation across different colours or pack sizes
Retail Chain	Retail chain includes national retail chains, regional retail chains, pharmacies, and cash-and-carry stores across India
Salons	Outlets branded under "Bblunt" where trained stylists provide services such as hair cutting, hair styling, hair coloring, etc., to customers
SFA	Sales force automation
SKUs	Stock keeping units
Sub-stockist	Sub-stockist refers to an entity which purchases our products from a Super Distributor and further sells these products to retail outlets.
Super Distributor	Super Distributor refers to an entity which purchases products from us in the offline channel of distribution and further sells these products to Sub-stockists
Tier 1 cities	Cities with a population of more than 1 million people as per Census 2011
Tier 2+ cities	Cities with a population of less than 1 million people as per Census 2011
Toxin-free beauty products	Products that exclude certain harmful chemicals which can potentially be harmful for human or environmental health, which are (i) parabens, (ii) pthalates, (iii) sulfates (SLS/SLES), (iv) mineral

Term	Description
	oil, (v) formaldehydes, (vi) triclosan and (vii) benzene.
UCR	User Conversational Research, our integrated in-house research tool
UGC	User-generated content
VPN	Virtual private network
Working Capital Days of Sale	Net Working Capital divided by revenue calculated on a daily basis.

Conventional and General Terms or Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
Adjusted EBITDA	Adjusted EBITDA is calculated as restated profit/ loss for the period/year plus tax expense, finance cost, depreciation and amortization expenses, change in fair valuation of preference shares, share based payment expenses (equity settled) and share based payment expenses (cash settled), less other income.
Adjusted EBITDA Margin	Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	Companies Act, 2013, as amended, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
“EBITDA” or “Earnings before interest, tax, depreciation and amortisation”	EBITDA is calculated as restated profit /(loss) for the period/year plus tax expense, finance cost, depreciation and amortization expenses less other income.
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
DP ID	Depository Participant’s Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
“FEMA Non-debt Instruments Rules” or “FEMA NDI Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Year/ Fiscal/Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board

Term	Description
Ind AS 24	Indian Accounting Standard 24- Related Party Disclosures
Ind AS 34	Indian Accounting Standard 34 – Interim Financial reporting
Ind AS 37	Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income-tax Act, 1961
KYC	Know your customer
MCA	Ministry of Corporate Affairs
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
"NAV" or "Net Asset Value"	Net Asset Value per share represents net worth at the end of the year/period divided by the weighted average number of shares outstanding during the period/year post-conversion of NCCCPS and the proposed issuance of equity shares against the outstanding options under ESOP schemes.
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PAT	Profit after tax
"RoNW" or "Return on Net Worth"	Restated profit/(loss) attributable to equity holders of the parent divided by total equity attributable to equity holders of the parent.
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB & SE Regulations	Securities And Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE

Term	Description
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
"UAE" or "U.A.E"	United Arab Emirates
"U.S.A.", "U.S.", "US" or "United States of America"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USD or US$	United States Dollars
U.S. QIBs	"qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to the:

(i) "U.S.", "US", "U.S.A." or "United States" are to the United States of America and its territories and possessions;

(ii) "UAE" are to the United Arab Emirates and its territories and possessions;

(iii) "Indonesia" are to Indonesia and its territories and possessions.

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Ind AS Summary Statements. For further information, see "*Restated Ind AS Summary Statements*" on page 201.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The restated Ind AS Summary Statements comprises of:

(a) Restated Ind AS Summary Statement of Assets and Liabilities of the Company and its subsidiaries, (the Company together with its subsidiaries hereinafter referred to as "**the Group**") as at March 31, 2022 and September 30, 2022, the Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Ind AS Summary Statement of Changes in Equity and the Restated Ind AS Summary Statement of Cash Flows for the year ended March 31, 2022 and period ended September 30, 2022 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Consolidated Summary Statements');

(b) Restated Standalone Ind AS Summary Statement of Assets and Liabilities as at March 31, 2021 and March 31, 2020, Restated Standalone Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Standalone Ind AS Summary Statement of Changes in Equity and the Restated Standalone Ind AS Summary Statement of Cash Flows for the year ended March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Standalone Summary Statements).

The paragraph (a) and (b) above are collectively referred to as the "**Restated Ind AS Summary Statements**".

These Restated Ind AS Summary Statements have been prepared by the management as required under the SEBI ICDR Regulations, for the purpose of inclusion in this Draft Red Herring Prospectus in connection with the proposed initial public offering of equity shares of face value of ₹10 each of the Company, in terms of the requirements of: (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "**Guidance Note**");

The Restated Ind AS Summary Statements has been compiled from:

(a) Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable which was approved by the Board of Directors at their meeting held on August 31, 2022;

(b) Audited Ind AS interim consolidated financial statements of the Group as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), which have been approved by the Board of Directors at their meeting held on December 15, 2022;

(c) Audited Special Purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on December 15, 2022.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 1, 2020 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("**Indian GAAP**" or "**Previous GAAP**") due to which the Special purpose Ind AS standalone financial statements were prepared as per SEBI Letter. The Special purpose Ind AS standalone financial statements are not the statutory financial statements under the Companies Act.

The Special Purpose Ind AS Standalone Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications including the revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI Letter

Financial information for the six months ended September 30, 2022 may not be indicative of the financial results for the full year and are not comparable with financial information for the years ended March 31, 2022, March 31, 2021, and March 31, 2020.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.*" on page 57.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Draft Red Herring Prospectus.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Ind AS Summary Statements.

Non-GAAP Financial Measures

Net Worth, NAV per share, gross profit, gross profit margin/ gross margin, EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA margin, working capital days of sale, invested capital in business, cost of goods sold ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the period/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, the Non GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate an entity's operating performance.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and

- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All per share and percentage figures have been rounded off to one/ two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD:

(Amount in ₹, unless otherwise specified)

Currency	**Exchange rate as at**			
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
USD	81.55	75.81	73.50	75.39

Source: FBIL Reference Rate as available on https://www.fbil.org.in

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the RedSeer Report, GoldVIP Technology Solutions Private Limited ("**Crownit**"), NielsenIQ (India) Private Limited (formerly known as Nilsen (India) Private Limited) ("**NIQ**") and publicly available information as well as other industry publications and sources.

RedSeer is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or the Book Running Lead Managers. The RedSeer Report has been exclusively commissioned by our Company pursuant to an engagement letter with RedSeer dated July 7, 2022, for the purposes of confirming our understanding of the industry in which the Company operates, in connection with the Offer. The RedSeer Report will be made available on the website of our Company at [●] from the date of the Red Herring Prospectus till the Bid/ Offer Closing Date.

Excerpts of the RedSeer Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the RedSeer Report which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, RedSeer Management Consulting Private Limited (RedSeer), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.*", on page 54. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of RedSeer

This Draft Red Herring Prospectus contains data and statistics from certain reports and the RedSeer Report, which is subject to the following disclaimer:

"Redseer has taken due care and caution in preparing the Report titled "Beauty and Personal Care Market in India" based on the information obtained from sources generally believed to be reliable. The market information in this Report is arrived at by employing an integrated research methodology which includes secondary and primary research. Redseer's primary research work includes in-depth interviews of consumers, merchants and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly, the findings do not purport to be exhaustive. Its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, data availability amongst others. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as investment advice within the meaning of any law or regulation. Forecasts, estimates and other forward-looking statements contained in this Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 pandemic and the ongoing macroeconomic events have significantly affected economic activities. Nothing in the Report is to be construed as Redseer providing or intending to provide any services in jurisdictions where Redseer does not have the necessary permission and/or registration to carry out its business activities in this regard. No part of this Report may be published/reproduced in any form without Redseer's prior written approval."

Disclaimer of NIQ

"NielsenIQ Information reflects estimates of market conditions based on samples, and is prepared primarily as a marketing research tool for consumers, service providers and others in the industry. This information should not be viewed as a basis for investments and references to NielsenIQ should not be considered as NielsenIQ's opinion as to the value of any security or the advisability of investing in the company."

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- If we fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and personal care trends in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.

- Our brands and reputation are critical to the success of our business and may be adversely affected due to various reasons, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

- The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.

- We derive a significant amount of revenue from a limited number of products. Any decrease in the sales of our key products will adversely affect our business, cash flows, financial condition and results of operations.

- Our dependence on third party manufacturers for all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.

- We may be subject to unfair competitive or trade practices, which may reduce our sales and harm our brands, adversely affecting our business, financial condition, cash flows and results of operations.

- Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.

- If we are unable to identify consumer demand accurately and maintain an optimal level of inventory, our business, results of operations, cash flows and financial condition may be adversely affected.

For discussion regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 35, 120, 139, and 290, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, KMPs, the Selling Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by the Company and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that the Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themself as a Selling Shareholder and their respective portion of the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to itself as a Selling Shareholder and its portion of the Offered Shares, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant for prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including in "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Ind AS Summary Statements", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 35, 64, 79, 98, 120, 139, 196, 201, 354, 322 and 372, respectively.

Summary of the business of our Company

We are the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022 (Source: *RedSeer Report*). We have a portfolio of six BPC brands with differentiated value propositions and as of September 30, 2022, our flagship brand, Mamaearth, has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch (Source: *RedSeer Report*). Our focus on the BPC category coupled with our strengths in brand building, customer-centric innovation, digital-first distribution and contextualized marketing has enabled us to establish a strong presence in the BPC market in India.

Summary of the industry in which our Company operates (Source: RedSeer Report)

The market for BPC products in India is expected to grow from approximately US$ 17 billion in 2021 to approximately US$ 30 billion in 2026 at a CAGR of approximately 12%, which is among the highest within the broader retail categories and faster than other retail categories in India during this period. The BPC products market lends itself well to digital penetration and the online BPC market, which is currently sized as US$ 2.5 billion, is expected to grow at 27% annually to be around US$ 8.4 billion by 2026, translating to an online penetration of 28%.

Our Promoters

Varun Alagh and Ghazal Alagh are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" beginning on page 196.

Offer size

The following table summarizes the details of the Offer size:

Offer of Equity Shares*(1)(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹ 4,000 million
(ii) Offer for Sale(2)	Up to 46,819,635 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
The Offer may include:	
(i) Employee Reservation Portion(3)	Up to [●] Equity Shares aggregating up to ₹ 100 million
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

* *Our Company in consultation with the Book Running Lead Managers, may consider a further issue of Equity Shares as may be permitted under Applicable Law to any person(s) of [●] Equity Shares for an amount aggregating up to ₹ 800 million, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-issue paid-up Equity Share capital of our Company.*

(1) *The Offer including the Fresh Issue of up to ₹ 4,000 million has been authorised by our Board pursuant to its resolution passed on December 15, 2022 and by our Shareholders pursuant to a special resolution passed on December 17, 2022.*

(2) *Each Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 329.*

(3) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer.*

The Offer and Net Offer shall constitute [●]% and [●]% of the post Offer paid-up equity share capital of our Company.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Estimated Amount (in ₹ million)(1)
Advertisement expenses towards enhancing the awareness and visibility of our brands	1,860

Objects	Estimated Amount (in ₹ million)[(1)]
Capital expenditure to be incurred by our Company for setting up new EBOs	342.27
Investment in our Subsidiary, BBlunt for setting up new salons	275.17
General corporate purposes and unidentified inorganic acquisition	[●][(2)]
Total[#]	[●]

(1) *If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.*

(2) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes and unidentified inorganic acquisitions shall not exceed 35% of the Net Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds.*

For further details, see "*Objects of the Offer*" beginning on page 98.

Aggregate pre-Offer Shareholding of our Promoters, members of our Promoter Group, and the Selling Shareholders

a) Promoters and Promoter Group

Sl. No.	Name of the Shareholder	No. of Equity Shares as on the date of this DRHP	% of total pre-Offer paid up equity share capital on a fully diluted basis*
	Promoter Selling Shareholders		
1.	Varun Alagh	106,737,650	34.30
2.	Ghazal Alagh	10,065,200	3.23
	Promoter Group		
1.	Mukesh Alagh	50,000	0.02
2.	Jaspal Alagh	50,000	0.02
3.	Sunita Sahni	100,000	0.03

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

b) Selling Shareholders

Sl. No.	Name of the Shareholder	No. of Equity Shares held as on the date of this DRHP	No. of NCCCPS held as on the date of this DRHP	% of total pre-Offer paid up equity share capital on a fully diluted basis*
		Promoter Selling Shareholders		
1.	Varun Alagh	106,737,650	-	34.30
2.	Ghazal Alagh	10,065,200	-	3.23
		Investor Selling Shareholders		
1.	Evolvence India Coinvest PCC, invested through its Cell E	877,200	-	0.28
2.	Evolvence India Fund III Ltd	1,315,800	164[(1)]	1.10
3.	Fireside Ventures Fund	1,844,700	2,363[(2)]	10.39
4.	Sofina	3,302,400	2,034[(3)]	9.49
5.	Stellaris	1,844,700	2,148[(4)]	9.50
		Other Selling Shareholders		
1.	Rishabh Harsh Mariwala	-	707[(6)]	2.93
2.	Kunal Bahl	-	185[(5)]	0.77
3.	Rohit Kumar Bansal	-	185[(5)]	0.77
4.	Shilpa Shetty Kundra	1,623,635	-	0.52

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

(1) *The Equity Shares proposed to be offered by Evolvence India Fund III Ltd will include a portion of the Equity Shares which will result upon conversion of 164 Class E NCCCPS into 2,115,600 Equity Shares. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(2) *The Equity Shares proposed to be offered by Fireside Ventures Fund will include a portion of the Equity Shares which will result upon conversion of 21 Class A NCCCPS, 199 Class B NCCCPS, 1,780 Class C NCCCPS and 363 Class D NCCCPS, respectively into 270,900, 2,567,100, 22,962,000 and 4,682,700 Equity Shares respectively. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *The Equity Shares proposed to be offered by Sofina will include a portion of the Equity Shares which will result upon conversion of 64 Class A NCCCPS, 1,062 Class B NCCCPS, 252 Class C NCCCPS and 656 Class E NCCCPS, respectively into 825,600, 13,699,800, 3,250,800 and 8,462,400 Equity Shares respectively. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(4) *The Equity Shares proposed to be offered by Stellaris will include a portion of the Equity Shares which will result upon conversion of 21 Class A NCCCPS, 1,764 Class C NCCCPS and 363 Class D NCCCPS, respectively into 270,900, 22,755,600 and 4,682,700 Equity Shares respectively. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(5) *The Equity Shares proposed to be offered by Kunal Bahl and Rohit Kumar Bansal will consist of Equity Shares which will result upon conversion of 85 Class*

B NCCCPS and 100 Class C NCCCPS held by each Kunal Bahl and Rohit Kumar Bansal, respectively which will convert into 1,096,500 and 1,290,000 Equity Shares each respectively. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations. As on the date of this Draft Red Herring Prospectus both Kunal Bahl and Rohit Kumar Bansal do not hold any Equity Shares.*

(6) The Equity Shares proposed to be offered by Rishabh Harsh Mariwala will consist of Equity Shares which will result upon conversion of 642 Class C NCCCPS and 65 Class D NCCCPS which will convert into 8,281,800 and 838,500 Equity Shares respectively. The conversion of such NCCCPS will be completed prior to the filing of the Red Herring Prospectus with the Registrar of Companies in accordance with Regulation 5(2) of the SEBI ICDR Regulations. As on the date of this Draft Red Herring Prospectus Rishabh Harsh Mariwala do not hold any Equity Shares.

Summary of Restated Ind AS Summary Statements

The following details are derived from the Restated Ind AS Summary Statements:

(in ₹ million, except as otherwise stated)

Particulars	As at and for the six months period ended September 30, 2022	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020
Equity share capital	1,363.03	0.13	0.13	0.13
Net Worth	7,281.32	7,056.24	(17,651.43)	(4,371.70)
Revenue from operations	7,227.35	9,434.65	4,599.90	1,097.84
Restated profit/ (loss)	36.67	144.43	(13,322.15)	(4,280.26)
Restated earnings/ (loss) per Equity Share*				
- Basic per Equity Share with a nominal value of ₹10 (in ₹)	0.25	0.53	(98.35)	(31.63)
- Diluted per Equity Share with a nominal value of ₹10 each (in ₹)	0.25	0.52	(98.35)	(31.63)
NAV per share (in ₹)	23.19	23.42	(61.80)	(15.37)
Current liabilities - Financial liabilities - borrowings **(A)**	72.54	35.86	-	-
Non-current liabilities - Financial liabilities - borrowings **(B)**	-	-	19,539.99	5,927.56
Total borrowings **(A+B)**	72.54	35.86	19,539.99	5,927.56

**Not annualised for the six months period ended September 30, 2022*

Notes:

The ratios have been computed as under:

1. *Net worth means the aggregate value of the paid-up share capital including instruments entirely in the nature of equity and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net Worth is a non-GAAP measure in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*
2. *Basic EPS amounts are calculated by dividing the profit/ (loss) for the period/years attributable to equity holders of our Company by the weighted average number of Equity shares outstanding during the period/years.*
3. *Diluted EPS are calculated by dividing the profit/(loss) for the period/years attributable to the equity holders of our Company by weighted average number of Equity shares outstanding during the period/years plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.*
4. *Net Asset Value per share represents net worth at the end of the year/period divided by the weighted average number of shares outstanding during the period/year post-conversion of NCCCPS and the proposed issuance of equity shares against the outstanding options under ESOP schemes.*
5. *Total Borrowings includes the non-current borrowings and current borrowings of our Company.*
6. *Our Company has split ₹100 face value equity shares to ₹10 each and ₹90 each on May 11, 2022. Our Company has issued bonus shares to the equity shareholders of the face value of ₹10 each at same conversion ratio of 12,899:1, considering they rank pari-passu to the ₹10 face value Equity Shares. All per share data has been calculated after giving effect to such sub-division and bonus shares in accordance with principles of Ind AS 33 – "Earnings per share". The equity shares of ₹90 each are non-voting shares and our Company has subsequently bought back the same on September 22, 2022.*

For further details, see "*Other Financial Information"* on page 283.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Ind AS Summary Statements

There are no qualifications of Statutory Auditors which has not been given effect to in the Restated Ind AS Summary Statements.

As per the Statutory Auditor's report on internal financial controls under Section 143(3)(i) of the Companies Act issued on standalone financial statements of the Company for the Financial Year 2019-2020, the Statutory Auditor has provided a disclaimer of opinion. For further details, see "*Risk Factors – The Auditor's report on internal financial controls issued on our standalone financial statements for the Financial Year 2020 contains a disclaimer of opinion relating to the Auditors' inability to obtain appropriate audit evidence to provide a basis for opinion on adequate internal financial controls* ".

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries as on the date of this Draft Red Herring Prospectus, is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By the Company	1	*Nil*	*Nil*	*Nil*	1	20.00
Against the Company	*Nil*	**3	****Nil*	*Nil*	1	6.13
Directors #						
By the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Directors	*Nil*	*Nil*	****Nil*	*Nil*	*Nil*	*Nil*
Promoters						
By the Promoters	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Promoters	*Nil*	*Nil*	****Nil*	*Nil*	*Nil*	*Nil*
Subsidiaries						
By the Subsidiary(ies)	2	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Subsidiary(ies)	*Nil*	2	*Nil*	*Nil*	*Nil*	8.83

#Other than the Directors who are Promoters of our Company
**To the extent quantifiable.*
*** Out of the three tax cases involving our Company, the disputed amount is 'Nil' for one of the cases. The Centralised Processing Centre, Income Tax Department has, by way of a rectification order dated August 8, 2022 and an intimation order dated August 18, 2022, suo moto rectified the challenged amounts towards losses claimed for each of AY 2020-21 and AY 2021-22, respectively. Accordingly, the disputed amount is 'Nil' as on date.*
****Excluding notices received by our Company, Directors, and/or Promoters from relevant authorities of the central and different state legal metrology departments. For details of such notices, see "Outstanding Litigation and Material Developments - Litigation Involving Our Company", "Outstanding Litigation and Material Developments - Litigation Involving Our Promoters", and "Outstanding Litigation and Material Developments - Litigation Involving Our Directors" on pages 322, 323 and 324, respectively.*

As on the date of this Draft Red Herring Prospectus, there are no Group Companies of the Company.

For further details of the outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries, see "*Outstanding Litigation and Material Developments*" beginning on page 322.

Risk Factors

Specific attention of the investors is invited to the section "*Risk Factors"* beginning on page 35.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Ind AS Summary Statements are set forth in the table below:

(₹ in million)

Nature of Contingent Liability	As at September 30, 2022
Bank guarantee	149.22
Disputed statutory demands pending before the Appellate Authorities	8.83

Notes:
(1) Includes bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to ₹46.02 million as at September 30, 2022 (March 31, 2022: ₹31.20 million; March 31, 2021: ₹14.27 million; March 31, 2020: Nil), performance guarantees issued in favour of The Deputy General Manager – Canteen Stores Department amounting to ₹103.20 million as at September 30, 2022 (March 31, 2022: ₹33.40 million; March 31, 2021: Nil; March 31, 2020: Nil), performance guarantees issued in favour of TLG India Private Limited amounts to nil as at September 30, 2022 (March 31, 2022: ₹214.80 million; March 31, 2021: Nil; March 31, 2020: Nil).
(2) Represents demands raised by income tax authorities pending before appellate authorities.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with SEBI ICDR Regulations entered into by our Company with related parties as at and for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 and for the six months period ended September 30, 2022, derived from our Restated Ind AS Summary Statements are as follows:

(in ₹ million)

S. No.	Name of the related party	Nature of relationship	Nature of transactions	Transaction for the six-month period ended	Transaction for the year ended		
				September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1.	Varun Alagh(1)	Director and Chief Executive Officer	Sale of products (net)	-	-	0.00	0.00
2.	Ghazal Alagh(2)	Director	Sale of products (net)	-	-	0.01	0.00
3.	Mukesh Alagh(3)	Relative of KMP	Sale of products (net)	-	-	-	0.00
4.	Varun Alagh	Director and Chief Executive Officer	Reimbursement of expenses	0.15	0.06	0.15	1.74
5.	Ghazal Alagh	Director	Reimbursement of expenses	-	-	0.13	0.13
6.	Mukesh Alagh	Relative of KMP	Reimbursement of expenses	-	-	-	0.03
7.	Mukesh Alagh	Relative of KMP	Rent	-	-	-	0.99
8.	Varun Alagh(4)	Director and Chief Executive Officer	Remuneration paid	7.50	11.31	6.39	4.01
9.	Ghazal Alagh(4)	Director	Remuneration paid	5.00	7.43	3.94	2.59
10.	Raman Preet Sohi(4)	CFO (w.e.f. July 26, 2022)	Remuneration paid	5.18	-	-	-
11.	Dhanraj Dagar(4)	Company Secretary (w.e.f. May 11, 2022)	Remuneration paid	1.02	-	-	-
12.	Vivek Gambhir	Independent Director (w.e.f. March 24, 2021)	Sitting fees	0.30	-	-	-
13.	Namita Gupta	Independent Director (w.e.f. June 8, 2022)	Sitting fees	0.20	-	-	-
14.	Subramaniam Somasundaram	Independent Director (w.e.f. February 11, 2022)	Sitting fees	0.30	-	-	-
15.	Raman Preet Sohi	CFO (w.e.f. July 26, 2022)	Share based payments expenses	0.61	-	-	-
16.	Dhanraj Dagar	Company Secretary (w.e.f. May 11, 2022)	Share based payments expenses	0.27	-	-	-

(1) Represents ₹999 and ₹1,745 for the year ended March 31, 2021 and March 31, 2020, respectively
(2) Represents ₹5,115 and ₹2,196 for the year ended March 31, 2021 and March 31, 2020, respectively
(3) Represents ₹ 1,716 for the year ended March 31, 2020
(4) Remuneration to the key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole

The details of the transactions eliminated on consolidation during the period/ year ended September 30, 2022 and March 31, 2022, are set out below:

(in ₹ million)

Related party name	Nature of transactions with Subsidiaries	Consolidated	
		Six months period ended September 30, 2022	Year ended March 31, 2022
(i) Our Company			
Just4Kids	Advertisement expense	19.91	-
(ii) Just4Kids			
Our Company	Advertisement income	19.91	-
B:blunt Spratt	Advertisement income	0.12	-
(iii) B:blunt Spratt			
Just4Kids	Advertisement expense	0.12	-

The standalone and consolidated numbers are not comparable. For further details of the related party transactions, see "*Other Financial Information - Related Party Transactions*" on page 286.

Issuances of Equity Shares made in the last one year for consideration other than cash (excluding bonus issuance)

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Promoters, members of the Promoter Group, the Selling Shareholders, and Shareholder(s) with nominee director rights or other rights have not acquired any Equity Shares in the last three years preceding the date of this Draft Red Herring Prospectus:

a) Cost of acquisition of equity shares of the Company in the last three years:

Name of the acquirer/shareholder	Date of acquisition of equity shares	Acquisition price per equity share[&]	Number of equity shares acquired	Mode of acquisition
Promoter Selling Shareholders				
Varun Alagh	May 11, 2022	Nil**	106,829,518	Allotment of bonus shares
Ghazal Alagh	May 11, 2022	Nil**	10,164,412	Allotment of bonus shares
Promoter Group				
Mukesh Alagh	September 22, 2022	Nil**	50,000	Transfer by way of gift
Jaspal Alagh	September 22, 2022	Nil**	50,000	Transfer by way of gift
Sunita Sahni	September 22, 2022	Nil**	100,000	Transfer by way of gift
Selling Shareholders				
Stellaris	January 3, 2020	263,576	43	Transfer
Stellaris	May 11, 2022	Nil**	1,844,557	Allotment of bonus shares
Fireside Ventures Fund	January 3, 2020	263,576	43	Transfer
Fireside Ventures Fund	May 11, 2022	Nil**	1,844,557	Allotment of bonus shares
Sofina	March 4, 2021	1,088,755	212	Transfer
Sofina	March 4, 2021	1,088,755	3	Transfer
Sofina	March 4, 2021	1,088,755	5	Transfer
Sofina	March 19, 2021	1,088,755	8	Transfer
Sofina	March 19, 2021	1,088,755	2	Transfer
Sofina	March 8, 2022	3,385,049	26	Transfer
Sofina	May 11, 2022	Nil**	3,302,144	Allotment of bonus shares
Evolvence India Fund III Ltd	December 7, 2021	22,40,000	102	Transfer
Evolvence India Fund III Ltd	May 11, 2022	Nil**	1,315,698	Allotment of bonus shares
Evolvence India Coinvest PCC, invested through its Cell E	December 7, 2021	2,240,000	68	Transfer
Evolvence India Coinvest PCC, invested through its Cell E	May 11, 2022	Nil**	877,132	Allotment of Bonus Shares
Shilpa Shetty Kundra	May 11, 2022	Nil**	1,393,092	Allotment of Bonus Shares
Shilpa Shetty Kundra	September 13, 2022	262	230,435	Preferential allotment
Other Shareholders with nominee director rights				
SCI III	January 27, 2022	3,385,049	191	Transfer
SCI III	February 11, 2022	3,385,049	1	Transfer
SCI III	February 11, 2022	3,385,049	3	Transfer
SCI III	February 11, 2022	3,385,049	2	Transfer
SCI III	February 11, 2022	3,385,049	2	Transfer
SCI III	February 11, 2022	3,385,049	1	Transfer
SCI III	February 11, 2022	3,385,049	4	Transfer

Name of the acquirer/shareholder	Date of acquisition of equity shares	Acquisition price per equity share&	Number of equity shares acquired	Mode of acquisition
SCI III	February 11, 2022	3,385,049	3	Transfer
SCI III	February 11, 2022	3,385,049	4	Transfer
SCI III	February 11, 2022	3,385,049	3	Transfer
SCI III	February 11, 2022	3,385,049	3	Transfer
SCI III	February 11, 2022	3,385,049	2	Transfer
SCI III	February 11, 2022	3,385,049	1	Transfer
SCI III	February 11, 2022	3,385,049	1	Transfer
SCI III	May 11, 2022	Nil**	2,850,679	Allotment of bonus shares
SCI VI	January 3, 2020	263,576	400	Transfer
SCI VI	May 11, 2022	Nil**	5,159,600	Allotment of bonus shares

***Allotment price pursuant to shares is Zero*
& Rounded off to the nearest whole number
Note:- 581 NCCCPS of Series A, 1,885 NCCCPS of Series B, 4,845 NCCCPS of Series C, 4,161 NCCCPS of Series D, 902 NCCCPS of Series E and 839 NCCCPS of Series F will be converted to an aggregate of 170,447,700 Equity Shares after filing of DRHP.

b) Cost of acquisition of NCCCPS of the Company in the last three years:

Name of the acquirer/shareholder	Date of acquisition of NCCCPS	Acquisition price per NCCCPS&	Number of NCCCPS acquired	Mode of acquisition
Selling Shareholders				
Stellaris	January 3, 2020	310,090	363	Allotment of Series D NCCCPS
Stellaris	January 3, 2020	263,576	11	Transfer of Series A NCCCPS
Stellaris	January 3, 2020	263,576	10	Transfer of Series A NCCCPS
Fireside Ventures Fund	January 3, 2020	310,090	363	Allotment of Series D NCCCPS
Fireside Ventures Fund	January 3, 2020	263,576	10	Transfer of Series A NCCCPS
Fireside Ventures Fund	January 3, 2020	263,576	11	Transfer of Series A NCCCPS
Sofina	March 19, 2021	1,088,755	64	Transfer of Series A NCCCPS
Sofina	March 19, 2021	1,088,755	804	Transfer of Series B NCCCPS
Sofina	March 19, 2021	1,088,755	129	Transfer of Series B NCCCPS
Sofina	March 19, 2021	1,088,755	129	Transfer of Series B NCCCPS
Sofina	March 19, 2021	1,088,755	188	Transfer of Series C NCCCPS
Sofina	March 19, 2021	1,088,755	64	Transfer of Series C NCCCPS
Sofina	July 22, 2021	2,243,696	656	Allotment of Series E NCCCPS
Evolvence India Fund III Ltd	July 26, 2021	2,243,696	164	Allotment of Series E NCCCPS
Rishabh Harsh Mariwala	January 3, 2020	310,090	65	Allotment of Series D NCCCPS
Other Shareholders with nominee director rights				
SCI III	December 31, 2021	3,385,049	839	Allotment of Series F NCCCPS
SCI III	February 11, 2022	3,385,049	33	Transfer of Series A NCCCPS
SCI VI	January 3, 2020	310,090	3,346	Allotment of Series D NCCCPS
SCI VI	January 3, 2020	263,576	91	Transfer of Series A NCCCPS
SCI VI	January 3, 2020	263,576	95	Transfer of Series A NCCCPS
SCI VI	November 5, 2020	871,005	179	Transfer of Series C NCCCPS
SCI VI	November 10, 2020	871,005	28	Transfer of Series C NCCCPS
SCI VI	November 13, 2020	871,005	23	Transfer of Series A NCCCPS
SCI VI	November 13, 2020	871,005	344	Transfer of Series B NCCCPS
SCI VI	November 25, 2020	871,005	55	Transfer of Series B NCCCPS
SCI VI	November 25, 2020	871,005	55	Transfer of Series B NCCCPS

Name of the acquirer/shareholder	Date of acquisition of NCCCPS	Acquisition price per NCCCPS[&]	Number of NCCCPS acquired	Mode of acquisition
SCI VI	July 26, 2021	2,243,696	82	Transfer of Series E NCCCPS
SCI Trust	January 3, 2020	310,090	24	Allotment of Series D NCCCPS
SCI Trust	January 3, 2020	263,576	4	Transfer of Series A NCCCPS
SCI Trust	November 13, 2020	871,005	5	Transfer of Series A NCCCPS

**As certified by B.B. & Associates, Chartered Accountants, pursuant to their certificate dated December 28, 2022.*
[&] Rounded off to the nearest whole number

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year, eighteen months and three years preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares acquired in last one year		Weighted average price of Equity Shares acquired in the last one year
	Pre-NCCCPS Conversion	Post-NCCCPS Conversion	Post-NCCCPS Conversion
Promoter Selling Shareholders			
Varun Alagh	106,829,518	106,829,518	Nil*
Ghazal Alagh	10,164,412	10,164,412	Nil*
Selling Shareholders			
Stellaris	1,844,557	29,553,757	7.25
Fireside Ventures Fund	1,844,557	32,327,257	6.81
Sofina	3,302,170	29,540,770	103.59
Evolvence India Fund III Ltd	1,315,698	3,431,298	107.24
Evolvence India Coinvest PCC, invested through its Cell E	877,132	877,132	Nil*
Rishabh Harsh Mariwala	-	9,120,300	6.05
Kunal Bahl	-	2,386,500	3.21
Rohit Kumar Bansal	-	2,386,500	3.21
Shilpa Shetty Kundra	1,623,527	1,623,527	37.24

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
** Represents cost of Bonus shares which are issued at nil consideration.*
Note:- As on the date of this Draft Red Herring Prospectus, (i) Stellaris holds 21 Series A NCCCPS, 1,764 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 277,009,200 Equity Shares (ii) Fireside Ventures Fund holds 21 Series A NCCCPS, 199 Series B NCCCPS, 1780 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 30,482,700 Equity Shares (iii) Sofina holds 64 Series A NCCCPS, 1,062 Series B NCCCPS, 252 Series C NCCCPS and 656 Series E NCCCPS, which will be converted into an aggregate of 26,238,600 Equity Shares, (iv) Evolvence India Fund III Ltd holds 164 Series E NCCCPS, which will be converted into an aggregate of 2,115,600 Equity Shares, (v) Rishabh Harsh Mariwala holds 642 Series C NCCCPS and 65 Series D NCCCPS, which will be converted into an aggregate of 9,120,300 Equity Shares (vi) Kunal Bahl holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares, and (vii) Rohit Kumar Bansal holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares and the conversion into Equity Shares as mentioned in each of (i), (ii), (iii), (iv), (v), (vi) and (vii) shall be undertaken prior to filing of the Red Herring Prospectus with the RoC. The above proposed conversion has been considered while computing the Weighted Average Price of Equity shares acquired in last one year. Also, as on the date of this Draft Red Herring Prospectus, Rishabh Harsh Mariwala, Kunal Bahl and Rohit Kumar Bansal do not hold any Equity Shares in the Company.

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the 18 months preceding the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares acquired in last 18 months		Weighted average price of Equity Shares acquired in the last 18 months
	Pre-NCCCPS Conversion	Post-NCCCPS Conversion	Post-NCCCPS Conversion
Promoter Selling Shareholders			
Varun Alagh	106,829,518	106,829,518	Nil*
Ghazal Alagh	10,164,412	10,164,412	Nil*
Selling Shareholders			

Name	No. of Equity Shares acquired in last 18 months		Weighted average price of Equity Shares acquired in the last 18 months
	Pre-NCCCPS Conversion	**Post-NCCCPS Conversion**	**Post-NCCCPS Conversion**
Stellaris	1,844,557	29,553,757	7.25
Fireside Ventures Fund	1,844,557	32,327,257	6.81
Sofina	3,302,170	29,540,770	103.59
Evolvence India Fund III Ltd	1,315,800	3,431,400	173.82
Evolvence India Coinvest PCC, invested through its Cell E	877,200	877,200	173.64
Rishabh Harsh Mariwala	-	9,120,300	6.05
Kunal Bahl	-	2,386,500	3.21
Rohit Kumar Bansal	-	2,386,500	3.21
Shilpa Shetty Kundra	1,623,527	1,623,527	37.24

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
** Represents cost of Bonus shares which are issued at nil consideration.*
Note:- As on the date of this Draft Red Herring Prospectus, (i) Stellaris holds 21 Series A NCCCPS, 1,764 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 277,009,200 Equity Shares (ii) Fireside Ventures Fund holds 21 Series A NCCCPS, 199 Series B NCCCPS, 1780 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 30,482,700 Equity Shares (iii) Sofina holds 64 Series A NCCCPS, 1062 Series B NCCCPS, 252 Series C NCCCPS and 656 Series E NCCCPS, which will be converted into an aggregate of 26,238,600 Equity Shares, (iv) Evolvence India Fund III Ltd holds 164 Series E NCCCPS, which will be converted into an aggregate of 2,115,600 Equity Shares, (v) Rishabh Harsh Mariwala holds 642 Series C NCCCPS and 65 Series D NCCCPS, which will be converted into an aggregate of 9,120,300 Equity Shares (vi) Kunal Bahl holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares, and (vii) Rohit Kumar Bansal holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares and the conversion into Equity Shares as mentioned in each of (i), (ii), (iii), (iv), (v), (vi) and (vii) shall be undertaken prior to filing of the Red Herring Prospectus with the RoC. The above proposed conversion has been considered while computing the Weighted Average Price of Equity shares acquired in last 18 months. Also, as on the date of this Draft Red Herring Prospectus, Rishabh Harsh Mariwala, Kunal Bahl and Rohit Kumar Bansal do not hold any Equity Shares in the Company.

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the three years preceding the date of this Draft Red Herring Prospectus is as follows:

Name	No. of Equity Shares acquired in Last 3 years		Weighted average price of Equity Shares acquired in the last 3 years
	Pre-NCCCPS Conversion	**Post-NCCCPS Conversion**	**Post-NCCCPS Conversion**
Promoter Selling Shareholders			
Varun Alagh	10,68,29,518	10,68,29,518	Nil*
Ghazal Alagh	1,01,64,412	1,01,64,412	Nil*
Selling Shareholders			
Stellaris	1,844,600	29,553,800	7.63
Fireside Ventures Fund	1,844,600	32,327,300	7.17
Sofina	3,302,400	29,541,000	112.07
Evolvence India Fund III Ltd	1,315,800	3,431,400	173.82
Evolvence India Coinvest PCC, invested through its Cell E	877,200	877,200	173.64
Rishabh Harsh Mariwala	-	9,120,300	6.05
Kunal Bahl	-	2,386,500	3.21
Rohit Kumar Bansal	-	2,386,500	3.21
Shilpa Shetty Kundra	1,623,527	1,623,527	37.24

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
** Represents cost of Bonus shares which are issued at nil consideration.*
Note:- As on the date of this Draft Red Herring Prospectus, (i) Stellaris holds 21 Series A NCCCPS, 1,764 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 277,009,200 Equity Shares (ii) Fireside Ventures Fund holds 21 Series A NCCCPS, 199 Series B NCCCPS, 1780 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 30,482,700 Equity Shares (iii) Sofina holds 64 Series A NCCCPS, 1062 Series B NCCCPS, 252 Series C NCCCPS and 656 Series E NCCCPS, which will be converted into an aggregate of 26,238,600 Equity Shares, (iv) Evolvence India Fund III Ltd holds 164 Series E NCCCPS, which will be converted into an aggregate of 2,115,600 Equity Shares, (v) Rishabh Harsh Mariwala holds 642 Series C NCCCPS and 65 Series D NCCCPS, which will be converted into an aggregate of 9,120,300 Equity Shares (vi) Kunal Bahl holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares, and (vii) Rohit Kumar Bansal holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares and the conversion into Equity Shares as mentioned in each of (i), (ii), (iii), (iv), (v), (vi) and (vii) shall be undertaken prior to filing of the Red Herring Prospectus with the RoC. The above proposed conversion has been considered while computing the Weighted Average Price of Equity shares acquired

in last 3 years. Also, as on the date of this Draft Red Herring Prospectus, Rishabh Harsh Mariwala, Kunal Bahl and Rohit Kumar Bansal do not hold any Equity Shares in the Company.

Weighted average cost of acquisition of all shares transacted in the last three years, 18 months and one year

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last 1 year	31.16	[●]*	Nil**- INR 262.41#
Last 18 months	32.59	[●]*	Nil**- INR 262.41#
Last 3 years	33.84	[●]*	Nil**- INR 262.41#

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
**To be updated upon finalization of the Price Band.*
***Acquisition price of Equity Shares acquired pursuant to gifts is Rs. Nil*
 # Highest price is adjusted to give impact of Bonus issue.
Note:- Excludes details in relation to Equity Shares acquired by shareholders pursuant to exercise of employee stock options held by them under the ESOP Schemes of the Company

Average cost of acquisition for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share acquired by our Promoters and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus is:

Name	No. of Equity Shares acquired since inception		Weighted average price of Equity Shares acquired since inception
	Pre-NCCCPS Conversion	**Post-NCCCPS Conversion**	**Post-NCCCPS Conversion**
Promoter Selling Shareholders			
Varun Alagh	106,838,518	106,838,518	Negligible**
Ghazal Alagh	10,165,412	10,165,412	Negligible**
Selling Shareholders			
Stellaris	1,844,700	29,553,900	7.82
Fireside Ventures Fund	1,844,700	32,327,400	7.33
Sofina	3,302,400	29,541,000	112.07
Evolvence India Fund III Ltd	1,315,800	3,431,400	173.82
Evolvence India Coinvest PCC, invested through its Cell E	877,200	877,200	173.64
Rishabh Harsh Mariwala	-	9,120,300	6.05
Kunal Bahl	-	2,386,500	3.21
Rohit Kumar Bansal	-	2,386,500	3.21
Shilpa Shetty Kundra	1,623,817	1,623,817	41.86

^ As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated December 28, 2022.
*** Negligible as below 0.01*
Note: As on the date of this Draft Red Herring Prospectus, (i) Stellaris holds 21 Series A NCCCPS, 1,764 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 277,009,200 Equity Shares (ii) Fireside Ventures Fund holds 21 Series A NCCCPS, 199 Series B NCCCPS, 1780 Series C NCCCPS and 363 Series D NCCCPS which will be converted into an aggregate of 30,482,700 Equity Shares (iii) Sofina holds 64 Series A NCCCPS, 1062 Series B NCCCPS, 252 Series C NCCCPS and 656 Series E NCCCPS, which will be converted into an aggregate of 26,238,600 Equity Shares, (iv) Evolvence India Fund III Ltd holds 164 Series E NCCCPS, which will be converted into an aggregate of 2,115,600 Equity Shares, (v) Rishabh Harsh Mariwala holds 642 Series C NCCCPS and 65 Series D NCCCPS, which will be converted into an aggregate of 9,120,300 Equity Shares (vi) Kunal Bahl holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares, and (vii) Rohit Kumar Bansal holds 85 Series B NCCCPS and 100 Series C NCCCPS, which will be converted into an aggregate of 2,386,500 Equity Shares and the conversion into Equity Shares as mentioned in each of (i), (ii), (iii), (iv), (v), (vi) and (vii) shall be undertaken prior to filing of the Red Herring Prospectus with the RoC. The above proposed conversion has been considered while computing the Weighted Average Price of Equity shares acquired since inception. Also, as on the date of this Draft Red Herring Prospectus, Rishabh Harsh Mariwala, Kunal Bahl and Rohit Kumar Bansal do not hold any Equity Shares in the Company.

Details of pre-IPO placement

Our Company, in consultation with the BRLMs, may consider the Pre-IPO Placement of [●] Equity Shares as may be permitted under applicable laws for an amount aggregating up to ₹ 800 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Split or Consolidation of equity shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

Our Company has undertaken a split of 290 equity shares having face value of ₹ 100 each to 290 equity shares having face value of ₹ 10 each and 290 equity shares having face value of ₹ 90 each. For further details, see *"Capital Structure – Notes to the Capital Structure – 1. Share capital history of our Company – (a) Equity share capital – Equity shares having a face value of ₹ 100 and ₹ 90 each"* on page 82.

Exemption from complying with any provisions of SEBI ICDR Regulations, if any, granted by SEBI

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 120, 139 and 290, respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Ind AS Summary Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 22.

Unless otherwise indicated, the industry-related information contained in this section is derived from the industry report titled "Report on Beauty and Personal Care Market in India" dated December 2022 prepared by RedSeer Management Consulting Private Limited ("RedSeer" and such report, the "RedSeer Report"). We have commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged RedSeer in connection with the preparation of the RedSeer Report pursuant to an engagement letter dated July 7, 2022. A copy of the RedSeer Report shall be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. The data included in this section includes excerpts from the RedSeer Report and may have been re-ordered by us for the purposes of presentation.

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to Honasa Consumer Limited together with its subsidiaries on a consolidated basis.

INTERNAL RISK FACTORS

1. ***If we fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and personal care trends in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.***

   The beauty and personal care ("**BPC**") products market is characterized by frequent changes, particularly in consumer preferences, new products and product variations. The popularity and demand of BPC products may vary over time due to changing consumer preferences, including those relating to sustainability and 'clean' beauty factors such as recycling plastic, methods of production, ingredients and testing and support for cruelty-free and eco-friendly products. Consumer preferences in the BPC market are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences for our products, as well as to where and how consumers shop for those products.

   We continually work to enhance the recognition of our brands and products and refine our approach as to how, when and where we market and sell our products using data and technology. While we aim to introduce new brands and products from time to time, we recognize that consumer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our consumers. For further details, see "*— The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.*" on page 36. If we are unable to foresee or respond effectively to the changes in market conditions, new and changing trends or desired consumer preferences, accurately anticipate and forecast demand for products, then there may be a decline in the demand and sales for our products, thereby reducing our market share and preventing us from acquiring new customers and retaining existing customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

2. ***Our brands and reputation are critical to the success of our business and may be adversely affected due to various reasons, which could have an adverse effect on our business, financial condition, cash flows and results of operations.***

Our brands and reputation are among our most important assets, as they attract consumers to our products over those of our competitors. The recognition and reputation of our flagship brand, Mamaearth, and our other brands such as The Derma Co., Aqualogica, Ayuga, BBlunt and Dr. Sheth's, amongst our consumers, distributors and our workforce has contributed to the growth and success of our business.

Our brand reputation may be adversely affected in many ways. For example, any failure by our contract manufacturers to comply with their contractual obligations, including maintenance of requisite licenses and approvals, our quality control and assurance standards; retail of counterfeit products in the market; and unsatisfactory customer service could adversely impact our brand reputation and subject us to additional risks and scrutiny. In addition, any damage in reputation of our contract manufacturers, distributors or suppliers may in turn damage our reputation, as they may unilaterally brand and claim themselves to be distributors authorized by us in their advertising material. Further, any public perception that our consumer data is breached and illegally shared as a result of cybercrime could damage our reputation.

Other factors that could affect our brand image include adverse media coverage. Adverse publicity regarding, among others, our brand ambassadors, social media partners and unsuccessful product introductions may also erode our brand image. Further, social media influencers and celebrities who we may or may not be directly associated with can shape public perception about us and our brands/products, or they themselves may face adverse impacts to their personal reputation and public standing for any number of reasons, all of which could hurt our brands and reputation. For instance, certain influencers have publicized their negative reviews of our products in the past. Further, an employee's personal posts, unapproved posts or posts that are not in line with our policy may be perceived as an official statement, which may adversely impact our reputation. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our mobile application, websites and products, it may be difficult to maintain and grow our consumer base, and our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, owing to allegations of product defects or lack of consumer interest in certain products, we may be required from time to time to recall products entirely or from specific markets, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations and may also lead to a loss of confidence of consumers in our products. For further details, see "— *Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.*" on page 38.

3. ***The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.***

New brand and product introductions from time to time is a key element of our growth strategy. In recent years, we have expanded our brand and product categories, by introducing new brands such as The Derma Co., Aqualogica and Ayuga and by acquiring brands such as BBlunt and Dr. Sheth's. New brands and product categories require us to understand and make informed judgments as to consumer demands, trends and preferences. Various elements of new brand and product initiatives entail significant costs and risks, as well as the possibility of unexpected consequences, including:

- acceptance of our new brand/product initiatives by our consumers may not be as high as we anticipate;
- sale of new products or brands may not sustain initial levels of high sales volumes;
- our marketing strategies for new brands/products may be less effective than planned and may fail to effectively reach the targeted consumer base or result in the expected level of sales;
- we may incur costs exceeding our expectations;
- we may experience a decrease in sales of our existing products as a result of the introduction of related new products;
- we may need to introduce trade promotions and increase marketing expenditure to obtain traction with consumers and improve brand awareness; and
- any delays or other difficulties impacting our ability, or the ability of our third party manufacturers and suppliers, to manufacture, distribute and ship products in a timely manner in connection with launching the new product initiatives.

We expend considerable time and financial resources in the development and launch of new brands and products. Each of the above risks could delay or impede our ability to achieve our growth objectives, which could adversely affect our business, financial condition, cash flows and results of operations.

4. ***We derive a significant amount of revenue from a limited number of products. Any decrease in the sales of our key products will adversely affect our business, cash flows, financial condition and results of operations.***

As of the date of this Draft Red Herring Prospectus, we have a portfolio of six brands in the BPC segment. In Financial Years 2020, 2021, and 2022, and the six months period ended September 30, 2022, we derived ₹421.58 million, ₹1,397.26 million, ₹2,846.38 million and ₹2,128.53 million, or 38.40%, 30.38%, 30.17% and 29.45% of our revenue from operations, respectively, from the sales of our top 10 products. Further, we derived ₹136.28 million, ₹663.24 million, ₹1,204.69 million and ₹912.89 million, or 12.41%, 14.42%, 12.77% and 12.63%, of our revenue from operations for Financial Years 2020, 2021, and 2022, and the six months period ended September 30, 2022, respectively, from the sales of our top two products, which are under our Mamaearth brand. While our dependence on sales of our key products has been declining with increasing contributions from our other products, any decrease in the sales of such products will adversely affect our business, results of operations, financial condition and cash flows.

5. ***Our dependence on third-party manufacturers for all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.***

We outsource the manufacturing of all our products to third-party manufacturers, primarily under non-exclusive contract manufacturing arrangements, and do not own any manufacturing facilities. During the six months period ended September 30, 2022, we sourced our products from 37 contract manufacturers. Of such manufacturers, the top three collectively contributed to 75.81%, 81.95%, 70.97% and 56.53% of the total value of our purchase of traded goods for Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, respectively. Our reliance on third-party manufacturers subjects us to various risks, including:

- dependence on relationships with third party manufacturers, particularly for continuity of supply of products to us;

- changes in cost of acquisition of our products from such manufacturers which would directly affect our profit margins and selling prices of our products;

- potential liability for incidents, including injuries to our contract manufacturers' employees, at manufacturing sites that we do not control;

- despite quality control exercised by our executives stationed at respective contract manufacturer facilities, there is dependence on quality control systems and processes of such manufacturers. In the past, we have rejected products manufactured by certain third party manufacturers as those products did not meet our quality standards;

- reliance on agreements with such manufacturers and the periodic expiry (typically five years) of such agreements. We may be unable to replace our existing contract manufacturers at short notice, or at all, and may face delays in production and added costs as a result of the time required for new contract manufacturers to undertake manufacturing in accordance with our standard processes and quality control standards;

- dependence on third party manufacturing facilities, which are subject to customary operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, unavailability of consumables and spare parts, labor disputes, natural or man-made disasters, accidents, planned or unplanned shutdowns, and compliance with relevant government regulations;

- protection of our trade secrets and intellectual property rights;

- failure to comply with various product-related regulations and laws in India and globally, including those related to the product registration, product ingredients, health and safety, imports, customs clearance, manufacturing standards, labelling declaration standards, environmental and waste management including plastic generation and management, public disclosure, product testing and storage;

- compliance with the evolving regulatory and policy environment in which we operate;

- adverse changes in the financial or business condition of our contract manufacturers; and

- misappropriation of our intellectual property and delays in delivery and shipment;

Our dependence on third party manufacturers could adversely affect our business, results of operations, cash flows and financial condition, as a result of occurrence of factors mentioned above or violation of terms of engagement by such manufacturers.

Our contract manufacturers do not manufacture products exclusively for us and accordingly, some of them may choose to manufacture products for other parties, including our competitors, at any time, which may lead to conflicts of interest that exacerbate the risks mentioned above. In addition, they may manufacture products identical to ours by making use of the formulations supplied by us, and we may not be able to prevent the same, in the absence of adequate intellectual property protections, which in turn may adversely affect our business, results of operations, financial condition and cash flows.

6. ***We may be subject to unfair competitive or trade practices, which may reduce our sales and harm our brands, adversely affecting our business, financial condition, cash flows and results of operations.***

We face pressures from various forms of unfair trade practices, such as the sale of counterfeit, cloned, lookalike and pass-off products. Counterfeit and cloned products are products manufactured and sold illegally as our products, whereas lookalike products are manufactured and packaged to resemble our products. For example, businesses could imitate our brand name, packaging material or attempt to create look-alike products. In the past, we have experienced incidents of passing-off and the sale of counterfeit products. For further details, see "— *We may not be able to adequately protect our intellectual property, which may result in the inability to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products.*" and "*Outstanding Litigation and Material Developments — Litigation by our Company — Material Civil Litigation*" on pages 42 on 323, respectively. The sale of counterfeit, cloned and pass-off products may result in heighted public reputation risk for us along with possibility of legal and regulatory claims. This is exacerbated by the fact that such products are often cheaper than genuine products. Such products may also be harmful to consumers or less effective than genuine products, which could have an adverse effect on our brands and reputation. The proliferation of unauthorized copies of our products, and the time lost in pursuing claims and complaints about such spurious products could have an adverse effect on our business, financial condition, cash flows and results of operations.

7. ***Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.***

We face risks of exposure to product liability or recall claims if our products fail to meet the required quality standards, or are alleged to result in side effects or harm to consumers. For instance, in 2020, we had to recall a certain quantity of products provided to a corporate consumer, due to quality issues. We face the risk of legal proceedings and product liability claims being brought against us by various entities including consumers, distributors and government agencies for various reasons including for defective products sold or services rendered. Further, we may also face product liability claims due to the fault of our contract manufacturers as well. While our agreements with our contract manufacturers require them to maintain product liability insurance, we cannot assure you that the same will be maintained at all times by them, or that the insurance cover will be sufficient to cover the liability incurred. We cannot assure you that we will not experience any product recalls or material product liability losses in the future or that we will not incur significant costs to defend any such claims. We do not maintain product liability and product recall insurance cover. A product recall or a product liability claim may adversely affect our reputation and brand image, which may adversely affect our reputation, business, financial condition, cash flows and results of operations.

8. ***If we are unable to identify consumer demand accurately and maintain an optimal level of inventory, our business, results of operations, cash flows and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast consumer demand and trends. Any error in our forecast could result in either surplus stock, which we may be unable to sell in a timely manner, or at all, or under-stocking, which will affect our ability to meet consumer demand. We plan our inventory and commence our design process prior to launch and estimate our sales based on the forecasted demand. We have inventory manufactured and stored at our warehouse ahead of an upcoming season. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a full range of products at our stores and for sale through our other retail channels. Ensuring availability of our products requires prompt turnaround time and a high level of coordination amongst manufacturers, warehouse management and physical stores and staff. While we aim to avoid under-stocking and over-stocking through our technology-enabled distribution model, our estimates and forecasts may not always be accurate. If we fail to accurately forecast consumer demand, we may experience excess inventory levels or a shortage of products available for sale. Any unsold inventory may have to be sold at a discount or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, cash flows and financial condition.

9. ***Reliance on celebrities and social media influencers as part of our marketing strategy may adversely affect our business and demand for our services.***

Our marketing strategies include engaging influencers, entering into celebrity endorsement agreements and maintaining a presence on social media platforms on whom we rely upon for our marketing and endorsement. For further details, see "*Our Business — Description of our Business — Marketing and Advertising*" on page 158. The risks of engaging with influencers and celebrities include:

- any deterioration in our relationship with our celebrities and influencer network or damage to the reputation of such influencers or celebrities; our relationships with influencers may not always include contractual commitments to continue to be supportive of our brands or products, and there can be no assurance that they will continue to do so; for example, changes in beauty and fashion trends, consumer sentiment or public perceptions of brands could adversely impact our relationships with influencers;

- any negative publicity created by current influencers or celebrities, or influencers or celebrities whom we formerly engaged or who is no longer supportive of our brands;

- celebrities or influencers (including their supporters) could engage in behavior damaging the reputation of such influencers or celebrities;

- if we were held responsible for the content of posts by influencers or their actions, and such posts were found to be illegal or inappropriate, we could be fined or forced to alter our practices, even when we may not always prescribe what our influencers post or act or promote;

- influencers may use their platforms to communicate directly with our consumers without our knowledge in a manner that reflects poorly on our brands and may be attributed to us; and

- any drop in celebrities' or influencers' satisfaction to endorse our products, brand, our platform, or consumer experience.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and stay relevant on new or emerging trends on popular social media platforms. From time to time, our Promoters are tagged on social media posts raising complaints about our brands and products. Our target consumers often believe readily available information and any negative commentary could drive large-scale social media campaigns and posts against us, our products or brands, whether motivated or otherwise, and result in consumer boycotts, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake e-commerce platforms or websites, and fake social media pages and accounts, fake consumer service calls impersonating themselves as associated with our brand or business or selling our brand of products may lead to fraud and dissatisfied consumers.

Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees, our network of influencers or any third parties acting at our direction to abide by applicable laws, regulations, policies and guidelines (such as certain guidelines prescribed under the Advertising Standards Council of India ("**ASCI**") Code of Self-Regulation (the "**ASCI Guidelines**")) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition, cash flows and results of operations. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content. Also, it increases the risk that such materials could contain product restricted by local regulations, or otherwise, or marketing claims in violation of applicable regulations.

Also, the costs to enter into relationships with influencers and celebrities or engage in sponsorship initiatives may also increase over time, which may also negatively impact our margins, cash flows and results of operations. Also if we are unable to cost-effectively use social media platforms as marketing tools or if the platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition might get impacted.

10. ***We rely on our relationships with certain marketplaces and web traffic drivers for sales through our online channel.***

As part of our online sales channels, we sell products through both our direct-to-consumer channel, which includes our brand websites, mobile websites and mobile applications, and our third party e-commerce marketplaces. For Financial Years 2020, 2021, and 2022 and the six months period ended September 30, 2022, our revenue from online channels across all our brands amounted to ₹998.43 million, ₹3,742.93 million, ₹6,595.34 million and

₹4,291.15 million, respectively, representing 90.94%, 81.37%, 69.91% and 59.37% of our revenue from operations, respectively.

We have longstanding relationships with several e-commerce marketplaces for the sale of our products and have an established presence across leading e-commerce marketplaces such as Nykaa. Pursuant to our non-exclusive arrangements with these marketplaces, we operate an inventory-based selling model for all sales made through Nykaa's online and offline sales platforms. We cannot assure you that we will be able to secure favourable promotions and our inability to do so may affect our brand visibility and sales.

Further, purchase orders made by online marketplaces may generally also be amended or cancelled at any time prior to finalization. Online marketplaces could also change their business practices or seek to modify their contractual terms, such as payment terms or increase their focus on selling private label products that compete with our products. Further, such entities may also increase the cost of their services, due to inflationary pressures or other reasons, which may adversely impact our expenses and profitability.

11. ***Our inability to effectively manage or expand our offline sales network may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our offline channel consists of our general trade channels and modern trade retail channels, and is supplemented by our 35 EBOs across India as of September 30, 2022. Our general trade channel includes a network of retail chains, open format stores, beauty and cosmetics-focused stores and chemists, where we sell our products on a business-to-business (B2B) basis. We access this channel through our network of distributors, super distributors and sub-stockists. Moreover, our modern trade channel includes a network of 30 retail chains, during the six months period ended September 30, 2022, with whom we have contractual arrangements for the sale of our products. These retail chains include national retail chains, regional retail chains, pharmacies, and cash-and-carry stores across India. For Financial Years 2020, 2021, and 2022, and the six months period ended September 30, 2022, our revenue from offline channels across all our brands was ₹99.41 million, ₹856.97 million, ₹2,723.38 million and ₹2,557.62 million, respectively, representing 9.06%, 18.63%, 28.87% and 35.39% of our revenue from operations for the same periods, respectively.

Our ability to expand and grow our offline sales depends on the reach and effective management of our retail network of general trade stores and modern trade stores. We compete with other BPC companies in relation to selling our products on such general trade channels and modern trade retail channels. We also face the risk of attrition of our network of distributors and super distributors, especially if our reputation with our distributors, super distributors and retailers is tarnished. If we are unable to manage or expand our offline sales network, change our offerings in ways that reflect the changing demands of our general trade channel partners and modern trade channel partners or compete effectively with and adapt to such changes, our business would be adversely affected.

12. ***We are dependent on several third party service providers to sell or distribute our products to consumer, and on third party technology providers for certain aspects of our operations. Any disruptions or inefficiencies in these operations may adversely affect our business, financial condition, cash flows and results of operations.***

We depend on our distribution network and supply chain for the sale and distribution of our products to our consumers. We have developed a network of distributors, super distributors and sub-stockists in various parts of India. As part of this network, these parties procure our products from us for distribution to retailers. Further, as part of our modern trade channel, we also have a network of retail chains with whom we have contractual agreements for the sale of our products. In addition, as part of our online sales channel, we rely on third-party courier and logistics companies for the delivery of our products. We need to keep optimum inventory at our warehouses, including outsourced third-party warehouses, and maintain high levels of coordination with our courier and logistics providers to ensure availability of our products in the markets. Such service providers may not be able to provide satisfactory services to us or our consumers, which could also be due to events that are beyond our or their control, such as inclement weather, transportation disruptions or poor quality of infrastructure. Further, some of the agreements with such third-party providers may not be adequately registered or stamped or duly executed.

Any disruptions, delays or inefficiencies by our distributors, super distributors, sub-stockists, courier and logistics providers could adversely affect our operations and may lead to disruption of supply chain, loss of cash and goods resulting in higher costs or lost sales. We may also suffer reputational damage, and our business, financial condition, cash flows and results of operations may be adversely affected. Most of these parties do not provide their service exclusively to us and may be providing the same or similar service to other parties, including our competitors. Further, most of our distributors and super distributors are not contractually bound to provide us with a specific volume of business and can terminate our relationship with or without cause, with little advance notice and without compensation. While there have not been any material delays or defaults in payments from our distributors or super distributors in the past, we cannot assure you that we will be successful in continuing to receive uninterrupted, high quality service from our distribution network or supply chain service providers for our products.

In addition, we rely on the Google Play Store and the Apple App Store to offer and promote our app. Their terms and conditions may change to our detriment, and we may violate, or be alleged to have violated, the terms and conditions of their platforms. We also rely on email service providers, bandwidth providers, internet service providers, and mobile networks to deliver emails and "push" communications to consumers and to allow consumers to access our mobile applications and websites. If the systems of these third parties are disrupted, we could lose consumer data and miss order fulfilment deadlines, which could result in decreased sales, increased overhead costs and product shortages. In addition, the technology infrastructure of our third party providers may be vulnerable to damage or interruption as a result of, among others, software or hardware malfunctions, system implementations or upgrades, computer viruses, third party security breaches and other similar events. The occurrence of such events may adversely affect our business, financial condition, cash flows and results of operations.

13. ***Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates.***

Our business has experienced significant growth in prior periods. Our revenue from operations has increased from ₹1,097.84 million for Financial Year 2020 to ₹4,599.90 million, ₹9,434.65 million and ₹7,227.35 million in Financial Years 2021 and 2022 and the six months period ended September 30, 2022, respectively. We cannot assure you that we will be able to sustain the levels of revenue growth that we have had in the past. As a relatively new player in the BPC market, we have a limited operating history and there is no assurance that we will be able to maintain our past rate of growth and succeed in realizing our growth strategy. Further, a number of our strategic initiatives are in initial stages. While we may experience initial success with such initiatives, there is no assurance that these will succeed in the long term.

14. ***Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyberattacks***

Our business generates, stores and processes a large quantity of personal, transactional, demographic and behavioral information and data. We may experience disruptions, failures or breaches of our technology platforms, due to the large volume of data handled. We also face risks inherent in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure, transfer or security of personal information, including any requests from regulatory and government authorities relating to such data. In addition, most of our data is stored, transmitted and backed up on servers not owned by us, and therefore, we cannot guarantee that there may not be unauthorized access to such data, and we may be exposed to liability in relation to such breaches. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

Further, although we employ resources to develop security measures against breaches, such measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, ransomware attacks, phishing attacks, social engineering, fraudulent emails and related payments scams, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, unforeseen disclosure or transfer of data, deletion or modification of consumer information, or a denial of service or other interruption to our business operations. As some of our data are not end-to-end encrypted, this may pose a greater risk of cybersecurity breach. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Cyberattacks may target us, the participants on our websites, or the communication infrastructure on which we depend. We have in the past been, and may in the future be, exposed to vulnerabilities in our systems and to cyberattacks. For example, in December 2021, we received complaints from several consumers alleging that fraudulent promotional offers were made to them by unknown persons claiming to be our representatives, who had access to their consumer data. We have filed a first information report registered at the Cyber Crime Police Station in Gurgaon on January 13, 2022, which is currently pending. We have also filed a complaint dated May 18, 2022, with the Indian Computer Emergency Response Team (CERT-In), Ministry of Electronics and Information Technology, Government of India, in relation to this matter and another occurrence of attempted cyber fraud. For further details, see the section entitled "*Outstanding Litigation and Material Developments — Litigation by our Company — Criminal Litigation*" on page 323.

15. ***Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price and grants of stock options under our ESOP 2018 and ESOP 2021 may result in a charge to our profit and***

loss account and, to that extent, reduce our profitability and adversely affect our financial condition.

Our Company has, in the preceding one year prior to the date of this Draft Red Herring Prospectus, issued Equity Shares. The price at which such Equity Shares were issued is not indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. Further, our Company may, in the future, continue to issue Equity Shares, including through the grant of stock options under our ESOP 2018 and ESOP 2021, at prices that may be lower than the Offer Price, subject to compliance with applicable law. Grant of stock options result in a charge to our statement or profit and loss and reduce, to that extent, our reported profits in future periods. Any issuances of Equity Shares by our Company, including through the grant of stock options under our ESOP 2018 and ESOP 2021, may dilute your shareholding in our Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For further details, see "*Capital Structure — Notes to the Capital Structure — Share capital history of our Company*" on page 80.

16. ***We face intense competition which may lead to a reduction in our market share, cause us to increase our expenditure on marketing and promotion as well as cause us to offer discounts, which may result in an adverse effect on our business and a decline in our profitability.***

We face intense competition from a number of competitors, some of which are larger and have substantially greater resources than us, including the ability to spend more on advertising and marketing and offer substantial discounts. We also face competition from new entrants that may have more flexibility in responding to changing business and economic conditions than us. In addition, our competitors may innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost products. If we are unable to change our offerings in ways that reflect the changing demands of offline and online buyers and marketplaces or compete effectively with and adapt to such changes, our business, results of operations and cash flows could be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, and established supply relationships. In addition, the markets in which we compete have attracted significant investments from a wide range of funding sources, and our competitors could be better capitalized, which could allow them to increase the incentives, discounts and promotions they offer.

Competition in our industry is based on brand recognition, quality, innovation, perceived value and pricing of products, distribution reach, promotional activities, advertising and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. We expect competition to continue to be intense as our competitors expand their operations and introduce new products. Failure by us to compete effectively may have an adverse effect on our business and profitability.

17. ***We may not be able to adequately protect our intellectual property, which may result in the inability to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products.***

We depend on our brands and their brand equity. We have trademarks registered in India for our brand names such as Mamaearth, Aqualogica, Ayuga, BBlunt and Dr. Sheth's, as well as for Momspresso. Further, we have applications pending for the registration of the "Mamaearth" trademark in nine countries and in the past have been refused registration of trademarks in two countries. For details relating to intellectual property rights related pendencies and oppositions before the Registrar of Trademarks, see "*Our Business — Description of our Business — Intellectual Property*" on page 162. For details relating to intellectual property rights litigation filed by us against third parties, see "*Outstanding Litigation and Material Development*" on page 322. We rely on our trademarks, copyrights, domain names and other intellectual property to protect our intellectual property, which is critical to our business. As on the date of this Draft Red Herring Prospectus, we have applied for the trademark registration of the The Derma Co. logo under various classes, including 3, 5, 35 and 44, which have been objected and opposed. As of September 30, 2022, we have received two notices of opposition dated August 29, 2020 and June 1, 2022, respectively, for the registration of the trademark The Derma Co, which we are currently in the process of countering. We cannot assure you that we will be able to successfully obtain this trademark registration.

The protection of our intellectual property rights may require the expenditure of financial, managerial and operational resources. We rely on a combination of laws and regulations, confidentiality of information and contractual restrictions to protect our intellectual property. Despite our efforts to protect and enforce our proprietary rights, unauthorized parties have used, and may in the future use, our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary, such as trade secrets. For instance, we have filed petitions seeking cancellations of, injunctions against and damages arising from the use of trademarks of other companies which are identical or deceptively similar to our registered "Mamaearth" trademark, which are pending as of the date of this Draft Red Herring Prospectus.

We do not have comprehensive registered protection for all of our brands in all jurisdictions in which we operate or plan to operate. We cannot assure you that our pending trademark applications will proceed to registration, and even registered trademarks could be challenged by a third party including by way of revocation or invalidity actions. In addition, there could be potential trade name or trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. For instance, in April, 2022, we received a notice for infringement of intellectual property including trademark and packaging by Uprising Science Private Limited. Subsequently, we filed a detailed reply countering the allegations of infringement. Any such claims, brand dilution or consumer confusion related to our brands could damage our reputation and brand identity and substantially harm our business, financial condition, cash flows and results of operations.

Further, we do not hold any patents over our product formulae and have not made any applications in this respect. We may therefore not be able to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. This may lead to reduction in sales of some of our products.

Additionally, the process of obtaining intellectual property protection is expensive and time-consuming, and the amount of compensation for damages can be limited. Even if issued, patents or trademarks may not adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent, trademark and other intellectual property rights are applied on a case-by-case basis and it is generally difficult to predict the results of any litigation relating to such matters. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, financial condition, cash flows and results of operations.

18. ***The Auditor's report on internal financial controls issued on our standalone financial statements for the Financial Year 2020 contains a disclaimer of opinion relating to the Auditors' inability to obtain appropriate audit evidence to provide a basis for opinion on adequate internal financial controls.***

The Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("**Guidance Note on IFC**") issued by the Institute of Chartered Accountants of India ("**ICAI**") contains certain requirements relating to internal financial controls over financial reporting. Our Company was initially exempt from compliance with the Guidance Note on IFC, as our Company was then a private limited company with less than ₹500 million in annual turnover. There were delays of 38 days and 68 days in the filing of our annual returns for the Financial Year 2018 under sections 92 and 137 of the Companies Act, 2013, respectively. As such, our exemption from the Guidance Note on IFC ceased, and our Company was subject to the requirements of the Guidance Note on IFC. As such, our Company required additional resources and needed to implement frameworks to comply with the documentation requirements of the Guidance Note on IFC. Accordingly, the Auditor's Report on internal financial controls issued on our standalone financial statements for the Financial Year 2020 contained a disclaimer of opinion that:

According to the information and explanations we gave to the Auditor, we have certain internal financial controls over financial reporting. However, such internal financial controls over financial reporting with reference to our financial statements were not established, considering the essential components of internal control stated in the Guidance Note on IFC. As a result, the Auditor was unable to obtain sufficient appropriate audit evidence to provide a basis for the Auditor's opinion on whether we had adequate internal financial controls over financial reporting with reference to our financial statements and whether such internal financial controls were operating effectively. Accordingly, the Auditor did not express an opinion on internal financial controls over financial reporting with reference to our financial statements.

Subsequently, our Company filed for compounding of the matter of delays in filing annual returns and approached the Regional Director (Northern Region, Delhi) of the Ministry of Corporate Affairs of India, and the matter was compounded in September 2020 upon payment of the requite compounding fees. We cannot assure you that we will be able to exercise adequate internal controls over financial reporting, including in line with requirements of the ICAI, or in a manner that will not lead to a modification in the report.

19. ***The success of our business depends substantially on our management team and operational workforce. Our inability to retain them could adversely affect our businesses.***

Our senior management and key management personnel are difficult to replace. Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. From time to time, there may be changes in our executive management team or other key employees to enhance the skills of our teams or as a result of attrition. We cannot assure you that we will continue to retain any or all of the key members of our management. We do not maintain key personnel insurance in respect of the risk of the loss of any of our Promoters, senior managers or other key managerial personnel.

In addition, our success in large part depends upon the continued service of our Whole-time Director and Chief Innovation Officer, Ghazal Alagh, and Chairman, Whole-time Director and Chief Executive Officer, Varun Alagh. They have deep industry knowledge and, along with other key individuals in our business, play a strategic role in developing and building relations with our key stakeholders, including investors, board members, suppliers and other strategic business relationships on a regular basis. They have played, and are expected to continue to play, a significant role in building and maintaining strong relationships with critical stakeholders into the future. If they were to step down from their leadership positions in our Company, our reputation could deteriorate and our business could be adversely affected.

Our success also depends on our ability to recruit, develop and retain qualified and skilled personnel, for all our lines of business. We compete in the market to attract and retain skilled personnel, in areas such as engineering, product and design, technology, sales, digital marketing and brand management, omni-channel retailing and consumer service, supply chain and operations, as well as enabling corporate functions.

As of September 30, 2022, we had 1,050 full-time employees, and during Financial Years 2020, 2021, and 2022, and the six months period ended September 30, 2022, we had an overall employee attrition rate (quarterly average) of 12.57%, 9.23%, 7.32% and 10.40%, respectively. See "*Our Business – Description of our Business – Employees*" on page 162.

If we fail to identify, recruit and integrate strategic personnel, our business could be adversely affected. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and consumer relationships. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If we are not able to retain and motivate our current personnel or effectively integrate and retain employees, our ability to achieve our strategic objectives, and our business could be adversely affected.

20. ***We may not be able to successfully identify and conclude acquisitions, or manage the integration of or harness synergies from acquired businesses, or the performance of such acquired businesses may be below our expectations, any of which may adversely affect our business, results of operations, cash flows and financial condition.***

We have carried out strategic acquisitions in the past, as a means of inorganic growth. For instance, in calendar year 2021 and 2022, we completed the acquisitions of majority stakes in our Subsidiaries, Just4Kids Services Private Limited and Bhabani Blunt Hairdressing Private Limited (BBlunt), as well as 100% of the shareholding of Fusion Cosmeceutics Private Limited, which owns Momspresso and the BBlunt and Dr. Sheth's brands in India, respectively. We may continue to evaluate select acquisition opportunities, particularly to supplement our market position, product offerings, functional capabilities and channels. Following our recent acquisition of BBlunt in calendar year 2022, we intend to continue expanding our salon footprint. For further details, see "*Our Business — Our Strategies — Incubate or acquire new engines of growth*" on page 149. We may not be able to identify or conclude acquisitions in a timely manner.

These transactions involve challenges and risks, including but not limited to:

- potential difficulties in identifying suitable acquisition targets and competition from other potential acquirers;
- exposure to unanticipated liabilities of acquired businesses, including, but not limited to, taxation, litigation, intellectual property rights or compliance under applicable laws and regulations;
- obtaining requisite governmental, statutory and other regulatory approvals in connection with any potential acquisition(s);
- not realizing the benefits, expected return on investment or synergies from such transactions; and
- diverting management's attention, particularly in circumstances of an unsuccessful venture.

While we conduct financial and legal due diligence on target entities before making investments, we cannot assure you that we will be able to identify all material risks and liabilities associated with the relevant target entity.

Further, we may experience difficulty in integrating operations and harmonizing cultures leading to a non-realization of anticipated synergies or efficiencies from such acquisitions. The integration of newly acquired companies into our existing businesses will require dedication of management and financial resources that may divert management attention or require us to assume liabilities. The integration of these businesses involves other risks, including difficulties in integrating the financial, technological and management standards, processes, procedures and controls of our newly acquired companies with our existing operations; difficulties in managing varying geographies and product categories; challenges in managing the increased scope and complexity of our operations; adverse effects on existing business relationships with suppliers and consumers; entering distribution channels, categories or markets in which we have limited or no prior experience; and increased administrative and operational costs.

The expected performance of such acquired businesses and anticipated benefits of these acquisitions may not be achieved within the anticipated timeframe, or at all. Any of these factors, including the failure to achieve the anticipated benefits of these acquisitions, could have an adverse effect on our business, results of operations, cash flows and financial condition.

21. ***We have experienced negative cash flows from operating, investing and financing activities in the past.***

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods/years indicated:

	For the Financial Year			For the six months period ended September 30, 2022
	2020	2021	2022	
	(₹ in millions)			
Net cash flows from / (used in) operating activities	(103.55)	297.26	445.88	(655.89)
Net cash flows from / (used in) investing activities	(1,169.22)	(206.06)	(4,997.57)	454.42
Net cash flows from / (used in) financing activities	1,286.87	(12.77)	4,807.97	(49.62)

We had net cash outflow from operating activities of ₹103.55 million and ₹655.89 million for Financial Year 2020 and the six months period ended September 30, 2022, primarily due to increases in working capital requirement as a result of an increase in the scale of our business and the shift in channel mix towards offline channel. Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Cash Flows*" on page 316.

22. ***The locations of our EBOs may become unattractive, and suitable new locations may not be available for a reasonable price. In addition, we are exposed to all of the risks associated with leasing real estate and any adverse developments could affect our business, results of operations, cash flows and financial condition.***

Our EBOs exclusively retail products of our Mamaearth brand and are owned and operated by us, with all premises held on a leasehold basis. As of September 30, 2022, we operate 35 EBOs in India.

The success of our EBOs depends in part on location. We cannot assure you that current locations of our EBOs will continue to be attractive or profitable as demographic patterns change, or as leases are renewed/ extended on terms less favorable to us. Neighborhood or economic conditions where EBOs are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighborhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event that real estate prices increase or if we are unable to renew lease agreements for our existing stores on terms favorable to us, such store locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such stores.

In addition, lease agreements are required to be duly registered and adequately stamped under Indian law and if any of our lease agreements are not duly registered and adequately stamped, we may face challenges in enforcing them and they may be inadmissible as evidence in a court in India subject to penalties along with the requisite stamp duty prescribed under applicable Indian law being paid.

23. ***We are subject to payment-related risks, including risks associated with cash on delivery and payment processing risks.***

We accept payments using a variety of methods, including credit and debit cards, digital wallets, UPI, money transfers, and cash on delivery. Cash on delivery is a preferred method of payment for online purchases in India. Although the share of the prepaid orders on our websites and mobile application has increased over prior periods, we are still subject to the risk that cash collected from consumers may be misappropriated. We are subject to the risk of fraudulent activity associated with cash on delivery, such as payment of purchases with counterfeit currency. In addition, if a consumer does not pay the amount due, the purchase will be returned to us, which does not contribute to our revenue. We also absorb the costs of return shipping fees. Increases in the returns of our products may increase our operating costs. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees, although we may receive cashback on certain transactions. These fees may increase over time, which would increase our operating costs. We use various third parties and payment gateways to provide payment processing services, including the processing of credit and debit cards. The suspension or termination of such payment gateways may disrupt our sales and business operations.

We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules, as revised by regulatory bodies such as the Reserve Bank of India ("**RBI**") from time to time, in ways that might prohibit us from providing certain services to some consumers, be costly to implement, or difficult to follow. Failure to comply with such rules may render us liable for fines, indemnities or higher transaction fees, or result in us losing our ability to accept credit and debit card payments or other types of online payments. Occurrences of such events could adversely affect our business, financial condition, cash flows and results of operations.

24. Any international expansion efforts may expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition, cash flows and results of operations.

While India is and will continue to be our focus market in the medium term, we intend to expand our presence, including through our subsidiaries as applicable, in certain international markets, such as the United Arab Emirates, Nepal and Bangladesh. For further details, see "*Our Business — Our Strategies — Incubate or acquire new engines of growth*" on page 149. In the course of our expansion and entry into overseas markets, we may be subject to risks related to complying with local laws and restrictions on the import and export of goods, multiple tax and cost structures, cultural and language factors, and other legal and regulatory requirements for new products and new geographies generally, including relating to intellectual property usage and registration, registration of products under the local regulations and data protection. We risk failing to comply with accounting and taxation standards in overseas' jurisdictions due to unfamiliarity with their interpretations. Due to the uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, we cannot assure you that our tax liability in the future would not increase. Increases in our tax liability may adversely affect our business, financial condition, cash flows and results of operations. Any failure to comply with the various legal and regulatory requirements for new products and new geographies could also impact our project timelines, launch dates and/or our ability to offer such products.

Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. Any international expansion may also be loss-making in the initial years or beyond due to a lack of scale or higher operating costs. If we do not effectively manage our international operations in the future, it may affect our profitability from such countries, which may adversely affect our business, financial condition, cash flows and results of operations.

25. There is outstanding litigation pending against us and our Subsidiaries which, if determined adversely, could affect our business, results of operations, cash flows and financial condition.

In the ordinary course of business, we, our Promoter, our Directors, and our Subsidiaries are involved in certain legal proceedings, at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if decided against us, could adversely affect our reputation, business, results of operations, cash flows and financial condition. We cannot assure you that the currently outstanding legal proceedings will be decided favourably or that no further liability will arise from these claims in the future. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally.

For details, see "*Outstanding Litigation and Material Developments*" on page 322. Brief details of material outstanding litigation that have been initiated by and against us, our Promoter, our Directors and Subsidiaries is set forth below:

Name of Entity	**Criminal proceedings**	**Tax proceedings**	**Statutory or regulatory proceedings**	**Disciplinary actions by the SEBI or Stock Exchanges against our Promoters**	**Material civil litigations**	**Aggregate amount involved (₹ in million)***
Company						
By the Company	1	*Nil*	*Nil*	*Nil*	1	20.00
Against the Company	*Nil*	**3	****Nil*	*Nil*	1	6.13
Directors [#]						
By the Directors	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Against the Directors	*Nil*	*Nil*	****Nil*	*Nil*	*Nil*	*Nil*
Promoters						
By the Promoters	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Promoters	*Nil*	*Nil*	****Nil*	*Nil*	*Nil*	*Nil*
Subsidiaries						
By the Subsidiary(ies)	2	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*
Against the Subsidiary(ies)	*Nil*	2	*Nil*	*Nil*	*Nil*	8.83

#Other than the Directors who are Promoters of our Company

**To the extent quantifiable.*

*** Out of the three tax cases involving our Company, the disputed amount is 'Nil' for one of the cases. The Centralised Processing Centre, Income Tax Department has, by way of a rectification order dated August 8, 2022 and an intimation order dated August 18, 2022, suo moto rectified the challenged amounts towards losses claimed for each of AY 2020-21 and AY 2021-22, respectively. Accordingly, the disputed amount is 'Nil' as on date.*

****Excluding notices received by our Company, Directors, and/or Promoters from relevant authorities of the central and different state legal metrology departments. For details of such notices, see "Outstanding Litigation and Material Developments - Litigation Involving Our Company", "Outstanding Litigation and Material Developments - Litigation Involving Our Promoters", and "Outstanding Litigation and Material Developments - Litigation Involving Our Directors" on pages 322, 323 and 324, respectively.*

If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. An adverse decision in any of these proceedings may have an adverse effect on our business, results of operations, cash flows and financial condition.

26. The audit reports on our Special Purpose Ind AS standalone financial statements as at and for the Financial Years 2021 and 2020 contain emphasis of matter paragraphs.

The audit reports on our Special Purpose Ind AS standalone financial statements as at and for the Financial Years 2020 and 2021 each contain an emphasis of matter paragraph:

Emphasis of matter – Basis of preparation and restriction of use

The Auditor draws attention to a note to the Special Purpose Ind AS standalone financial statements, which describes the basis of preparation of such financial statements, which states that such financial statements have been prepared to comply with an e-mail dated June 24, 2022 received from the BRLMs confirming that that we should prepare these financial statements in accordance with Ind AS and that these are required based on an email dated October 28, 2021 from SEBI to the Association of Investment Bankers of India. We cannot assure you that our audit reports for any future fiscal periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods. For further details, see "*Restated Ind AS Summary Statements*" beginning on page 201.

27. In this Draft Red Herring Prospectus, we have compared consolidated financial information as of and for the year ended March 31, 2022 with our standalone financial information as of and for the year ended March 31, 2021 and for the year ended March 31, 2020. These periods are not comparable to each other.

Prior to December 24, 2021, we did not have any subsidiaries. On December 24, 2021, we acquired a 74.32% shareholding in Just4Kids, which was pursuant to a share purchase and share subscription agreement entered into on December 22, 2021. Our shareholding in Just4Kids as of March 31, 2022 was 74.32%. On March 16, 2022, we acquired a 100.00% shareholding in BBlunt on March 16, 2022. Our shareholding in BBlunt as of March 31, 2022 was 100.00%. As a result, our audited, consolidated statement of profit and loss for the year ended March 31, 2022 consolidates the operations of Just4Kids for the period December 24, 2021 to March 31, 2022 and the operations of BBlunt for the period March 16, 2022 to March 31, 2022. In addition, our audited, consolidated balance sheet as of March 31, 2022 consolidates the assets and liabilities of Just4Kids and BBlunt as of March 31, 2022. Further, consolidated and unconsolidated financial statements and information are not comparable. As a result, our audited, consolidated financial statements for the year ended March 31, 2022 are not comparable with prior period standalone financial statements. Consolidated financial information as of and for the year ended March 31, 2022 is also not comparable with prior period standalone financial information.

28. ***We rely on our information technology systems in managing our supply chain, logistics and other integral parts of our business. Any failure in our information technology systems could adversely affect our financial condition, cash flows and results of operations.***

Our information technology systems are of paramount importance to our business. We have built our proprietary technological platforms that are integrated across our brands with the flexibility to customize based on the requirements of each brand. For further details, see "*Our Business — Description of Our Business — Technology*" on page 158. We also rely on certain third parties for some of our technological infrastructure. While we have not experienced any material failure in our information technology systems, any failure in our information technology systems or those of our service providers could result in business interruption, adversely impacting our reputation and weakening of our competitive position and could have an adverse effect on our financial condition, cash flows and results of operations.

The software underlying our application and website may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Our software and the third-party software that we incorporate into our platform may also be subject to errors or vulnerabilities. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of users or loss of revenue, and access or other performance issues. Such vulnerabilities could also be exploited in a malicious manner and may result in exposure of data of users on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects, or vulnerabilities could adversely affect our business, reputation, brand, financial condition, cash flows and results of operations. We have limited control over the operational security or data security of any of these third-party providers. Our third-party providers, including our cloud computing providers and our payment processing partners, may be subject to intrusions, computer viruses, denial-of-service attacks, sabotage, acts of vandalism, acts of terrorism, and other misconduct. They are vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events, and they may be subject to financial, legal, regulatory, and labor issues, each of which may impose additional costs or requirements on us.

29. ***Our warehousing operations are being conducted on premises that have been taken on lease. Any difficulty in seeking renewal or extension of such lease terms may cause disruption in our operations.***

As of September 30, 2022, our integrated supply chain comprised of 11 warehouses spread across 7 districts in India. Of these 11 warehouses, 3 warehouses are directly managed by us while management of the remaining 8 are outsourced to third-party partners. Our warehousing premises on which we operate are taken on lease or leave and license agreements with various third parties. We also enter into third party warehousing agreements. We may enter into such transactions with third parties in the future too. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses, which could adversely affect our business, financial condition, cash flows and results of operations. In addition, we may not be able to locate desirable alternative sites for our operations as our business continues to grow or our leases near their expiry, and failure in relocating our affected operations could adversely affect our business and operations. Further, there are risks associated with disputes relating to the property that may also lead to business disruptions.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or breach of the contractual terms of such leave and license agreements, or any inability to renew the said leases or leave and license agreements on terms acceptable to us, may adversely affect our business, financial condition, cash flows and results of operation.

30. ***Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our websites or mobile applications or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of consumers, suppliers or sellers.***

A key element of our growth strategies is to continue to acquire new consumers through brand awareness and enhanced consumer engagement, and generate a high volume of traffic on the digital platforms we offer. Our reputation and ability to attract, retain and serve our consumers depend upon the reliable performance of our websites, mobile websites and mobile applications and the underlying network infrastructure. We have experienced interruptions in these systems in the past, such as server failures that disrupted the performance of our websites, mobile websites and mobile applications, including during periods when we had our promotional sales. We may experience interruptions in the future, which may adversely affect our business, financial condition, cash flows and results of operations. Further, while we typically make major architectural changes on a quarterly basis, and performance related changes once a month, we cannot assure you that this is sufficient to address the continuously increasing traffic on our platforms.

As our consumer base and the amount of information shared on our websites and mobile application continue to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on our technology infrastructure to handle the traffic on mobile application and websites. The operation of these systems is complex and could result in operational failures. If the volume of traffic of our consumers exceeds the capacity of our technology infrastructure or if our consumer base or the amount of traffic on our websites, mobile websites and mobile applications grows more quickly than anticipated, we may be required to incur additional costs to enhance our underlying technology infrastructure.

The volume of traffic and activity on our mobile application and websites spikes on certain days, such as during our sales periods, and any such interruption would be particularly problematic if it were to occur at a time of high volume. If sustained or repeated, these performance issues could reduce the attractiveness of our products and platform. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our mobile application and websites could reduce consumer satisfaction and result in a reduction in the number of consumers purchasing our products and services, adversely affecting our business and financial position.

31. Environmental, health, employee and safety laws and regulations may expose us to liability and result in an increase of our costs and a decrease in our profits.

Environmental laws in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Operating facilities, such as those of our contract manufacturers that manufacture hair care, skincare and beauty care products, entail an inherent risk of environmental damage, and our contract manufacturers may incur liabilities in the future arising from the discharge of pollutants into the environment or their waste disposal or hazardous material handling practices. If any of the manufacturing facilities are shut down, our contract manufacturers may continue to incur costs in complying with environmental regulations, appealing any decision to close those facilities, increasing production levels at operational facilities and paying labor and other costs, while not generating any revenues or products from such facilities. As a result, our overall operation expenses may increase and our profits may decrease.

Our operations, such as our warehousing and manufacturing activities pursuant to arrangements entered into with our workers, contract manufacturers and third party service providers, are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We, as well as such contract manufacturers and service providers, are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. See "*Key Regulations and Policies in India*" on page 164. We and such service providers may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We and such contract manufacturers, service providers may become involved or liable in litigation or other proceedings, incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, financial condition, cash flows and results of operations.

32. Our business depends upon the user behavior, growth of online commerce industry in India and continued acceptance of digital platforms.

Factors applicable to our industry that might prevent potential consumers from purchasing products from direct to consumer platforms (such as our websites or mobile applications) or e-commerce platforms though which we sell our products include:

- concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of online platforms.

Although we derive a significant proportion of our sales through offline channels, our revenues depend substantially on the receptiveness of Indian consumers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. If the online commerce industry in India and in particular the online market for beauty and fashion products does not further develop and grow, our business, results of operations, financial condition, cash flows and prospects could be adversely affected. For our online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing consumer behavior on such digital platforms.

As the development of e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. We cannot assure you that a more technologically-sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely. In addition, the growth of the e-commerce sector may be affected by changes in and the evolving nature of government regulation.

33. ***We appoint contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our cash flows and results of operations.***

We appoint independent contractors who in turn engage on-site contract labor for performance of certain of our operations, including at our offline channels. During the month of September 2022, we engaged 1,639 personnel on a contractual basis. Although we do not engage such labor directly, we may be held responsible to pay their social benefits or shortfall in wages and provide certain amenities and facilities, if the independent contractors fail to do so, by a regulatory body or court, which may adversely affect our cash flows and results of operations. See "*Our Business – Description of our Business – Employees*" on page 161.

34. ***Our culture and values have been critical to our success and if we cannot maintain this culture and our values as we grow, our business and reputation could be adversely affected.***

We believe that our culture and values have been critical to our success. We may face a number of challenges that may affect our ability to sustain our corporate culture and values, including a potential failure to attract and retain employees who embrace and further our culture and values, any expansion into additional markets and competitive pressures that may divert us from our priorities, vision and integration of new personnel.

While we aim to build a fair, admired, compliant and performing culture with regular education and training to employees, including zero tolerance of any violations around our code of conduct (including on the prevention of sexual harassment), there could be violations which could affect our reputation and impact our cultural fabric. Any unethical or illegal employee actions and behaviour may harm our reputation and possibly expose us to sanctions or penalties. Employee misconduct, fraud or error could harm us by impairing our ability to attract and retain consumers and we may be subject to significant legal liability and reputational harm. If we are not able to maintain our culture and values as we continue to grow, our business, financial condition, cash flows and results of operations could be adversely affected.

35. ***We may not be successful in implementing our business strategies.***

The success of our business will depend greatly on our ability to effectively implement our growth strategies. For further details on our strategies, see "*Our Business — Our Strategies*" on page 148. There can be no assurance that we will be able to successfully execute our strategies, which may adversely affect our business, financial condition, cash flows and results of operations.

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, cash flows and profitability.

36. ***We have recorded losses in the past. Any losses in the future may adversely impact our business and the value of the Equity Shares.***

We have recorded losses in the past for Financial Years 2020 and 2021, wherein our restated loss for the year was ₹4,280.26 million and ₹13,322.15 million, respectively. Our restated profit/(loss) for these financial years was significantly impacted by the change in fair valuation of NCCCPS being borrowings in nature. Our ability to operate profitably depends upon a number of factors, some of which are beyond our control. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations*" on page 312. Any losses in the future may adversely affect our business and the value of our Equity Shares.

37. ***We have contingent liabilities and our financial condition could be adversely affected if these contingent liabilities materialize.***

As at September 30, 2022, our contingent liabilities are set forth in the table below, as per Ind AS 37:

Nature of Contingent Liability	As at September 30, 2022
	(₹ in millions)
Bank guarantee	149.22
Disputed statutory demands pending before the Appellate Authorities	8.83

Notes:

(1) Bank guarantee includes bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to ₹46.02 million as at September 30, 2022 (March 31, 2022: ₹31.20 million; March 31, 2021: ₹14.27 million; March 31, 2020: Nil), performance guarantees issued in favour of The Deputy General Manager – Canteen Stores Department amounting to ₹103.20 million as at September 30, 2022 (March 31, 2022: ₹33.40 million; March 31, 2021: Nil; March 31, 2020: Nil), performance guarantees issued in favour of TLG India Private Limited amount to nil as at September 30, 2022 (March 31, 2022: ₹214.80 million; March 31, 2021: Nil; March 31, 2020: Nil).

(2) Disputed statutory demands pending before the Appellate Authorities represents demands raised by income tax authorities pending before appellate authorities.

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition, cash flows and results of operation may be adversely affected.

38. We may require additional financing in the form of debt or equity to meet our business requirements.

Although our Company has no outstanding loan amounts, except bank guarantees as of the date of this Draft Red Herring Prospectus, in order to meet our business requirements (including to undertake growth), we may require loans from banks and financial institutions or the sale or issue of equity or debt securities in private or public offerings. In the event that we incur debt in the future, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted. We cannot provide any assurance that we will be able to raise adequate financing on acceptable terms, in a timely manner or at all. Our failure to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, have an adverse effect on our business, results of operations, cash flows and financial condition. Additionally, our Company has also provided a security free intercorporate loan to our Subsidiary, Fusion of ₹50 million.

39. We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.

Our insurance may not be adequate to cover our claims or may not be available to the extent we expect. We maintain insurance coverage under various insurance policies such as burglary policy, corporate cover policy, combined general liability insurance, standard fire and special perils policy, group active health policy, cyber security policy, marine open export declaration policy, marine open import declaration policy and directors, and officers' policy.

In such event, our insurance policies do not cover all risks and are subject to exclusions and deductibles and so, may not protect us from liability for damages. These may lead to financial liability and other adverse consequences. As of September 30 2022, our property, plant and equipment, and inventories were ₹65.57 million and ₹1,221.31 million, constituting 0.57% and 10.57% of our total assets, respectively, and the insurance coverage on such property, plant and equipment, and inventories were ₹63.25 million and ₹1,221.31 million, respectively, or 96.46% and 100.00% of our property, plant and equipment, and inventories, respectively. For details, see "*Our Business — Description of Our Business — Insurance*" on page 163.

40. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business. While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are in the process of applying for certain licenses and registrations which are required to be obtained, such as, professional tax registrations for certain states, registrations under the state shops and establishments act or municipal corporation acts for shops and establishments registration and trade licenses, respectively, in respect of certain EBOs and warehouses. In addition, some of our approvals, licenses, registrations or permissions may have expired, for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. If we fail to obtain, renew, maintain or retain any of the required permits, approvals or licenses, including those set out above, in a timely manner or at all, we could be subject to penalties by the relevant regulatory authorities and may cease to be permitted to operate our business, which may disrupt our operations and delay or prevent our expansion plans. Such occurrences could adversely affect our business, financial condition, results of operations and cash flows.

Further, we have made and are in the process of making applications to relevant authorities for updating the name of our Company in current registrations and approvals, pursuant to the conversion of our Company into a public company. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. If we fail to comply or a regulator claims we have not complied with these conditions, our business, prospects, financial condition, cash flows and results of operations may be adversely affected. For further details, see "*Government Approvals*" on page 327. Additionally, unfavorable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations, including in the telecom and e-commerce sectors in India, in the future could require us to obtain additional licenses, registrations and permissions. We cannot assure you that we will be able to obtain such additional licenses, registrations or permissions in the future, and our inability to do so could adversely affect our business, financial condition, results of operations and cash flows.

41. Our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.

We advertise our products on online and offline mediums, such as social media, print and television. Indian and international advertising laws, rules and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate, is not false or misleading and is in compliance with applicable law. Violation of these laws, rules or regulations may result in, amongst other things, penalties and/or fines for issuing misleading advertisements, including fines, confiscation of advertising costs, orders to cease dissemination of the advertisements and orders to issue a corrective advertisement to neutralize the effect of advertisements that may be deemed misleading. As a member of the ASCI, a voluntary self-regulatory organization of the advertising industry in India, we receive from time to time recommendations from the ASCI in relation to some of our advertisements, and are subject to the ASCI Guidelines relating to marketing and advertising campaigns, which include guidelines targeted at ensuring truthful and honest representations, fairness in competition and non-offensiveness of advertising content to the public. We may also be subject to notices from and complaints to the ASCI in respect of our advertisements. Complying with these requirements or recommendations may reduce the attractiveness of our platform, and any penalties or fines for any failure to comply may increase our costs. Such occurrences could adversely affect our business, financial condition, cash flows and results of operations.

In addition, for advertising content related to specific types of products and services, advertisers, advertising operators and advertising distributors must confirm that the advertisers have obtained the requisite government approvals, including the advertiser's operating qualifications, proof of quality inspection of the advertised products and services, and, with respect to certain industries, government approval of the content of the advertisement and filing with the local authorities. In certain cases, applicable guidelines (such as the Guidelines for Influencer Advertising on Digital Media, 2021 ("**Digital Media Guidelines**") and ASCI guidelines) require that content created by influencers should carry a disclosure label identifying their posts as advertisements. Additionally, pursuant to the Digital Media Guidelines, the influencer must have labels on the advertisements *inter alia* 'ad', 'sponsored collaboration', 'partnership'. Such responsibility of disclosure in terms of the Digital Media Guidelines is on our Company and also the influencer. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our apps and websites, such as reviews and images posted by consumers or influencers. These requirements entail considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these applicable laws, rules and regulations, including any penalties or fines, could adversely affect our business, financial condition, cash flows and results of operations.

42. We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation.

We track certain operational and key business metrics with internal systems and tools and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate.

Further, these (and other non-GAAP metrics presented in this Draft Red Herring Prospectus, such as Net Worth, NAV per Equity Share, Gross Profit, Gross Profit Margin/ Gross Margin, EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA Margin, working capital days of sale, invested capital in business, and cost of goods sold) are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the period/year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Although these non-GAAP metrics are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us, as these metrics are widely used measured to evaluate an entity's operating performance. In addition, these are not standardised terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a comparative measure. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition, results of operations and cash flows would be adversely affected. For further details, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 139 and 290, respectively.

43. We do not own our Registered and Corporate Offices.

As of September 30, 2022, all of our offices, including our Registered and Corporate Offices situated at Unit No. 404, 4th Floor, City Center, Plot No. 5, Sector – 12, Dwarka – South West Delhi, New Delhi – 110 075, India and at Plot No. 63, 4th Floor, BLM Tower, Netaji Subhash Marg, Sector – 44, Gurugram 122 003, Haryana, India, respectively and other key properties to our business are located on leased premises. For further details, see "*Our Business – Description of Our Business – Properties*" on page 163.

We cannot assure you that we will be able to renew our leases in the future, on commercially acceptable terms or at all. We also cannot assure you that, if required to vacate our current premises, we would be able to obtain alternative arrangements for the premises, on commercially acceptable terms or at all. Relocation of our business operations may disrupt our operations and entail substantial costs, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately registered or stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty or registration.

44. Our Promoters will continue to retain significant shareholding in us after this Offer, which will allow them to exercise significant influence over us and any substantial change in our Promoters' shareholding may have an impact on the trading price of our Equity Shares which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Following the completion of the Offer, our Promoters will continue to hold a significant percentage of our Equity Share capital. Our Promoters will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After the Issue, our Promoters will continue to exercise significant control or influence over our business and major policy decisions. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter.

As at the date of this Draft Red Herring Prospectus, our Promoters together hold 116,802,850 Equity Shares, or 37.53% of our issued, subscribed and paid-up Equity Share capital on a fully diluted basis. Upon completion of the Offer, our Promoter will hold [●]% (subject to finalisation of the Basis of Allotment) of our Equity Share capital. For details of our Equity Shares held by our Promoters, see "*Capital Structure — Notes to the Capital Structure — History of the equity share capital held by our Promoters*" on page 87. Following our listing, the Promoter also seeks to retain his right to nominate Directors on the Board, subject to the receipt of the requisite regulatory authorization and corporate authorizations (including special resolution to be passed by the shareholders in a general meeting post-listing of the Equity Shares pursuant to the Offer). For further details in relation to the current and proposed nominee rights of our Promoter, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" and "*Description of Equity Shares and Terms of Articles of Association*" on pages 178 and 372, respectively.

Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders.

45. Our Promoters, Directors and Key Management Personnel may have interests other than reimbursement of expenses incurred and receipt of remuneration or benefits from our Company. Certain of our Promoters and Directors may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.

Certain of our Promoters, Directors and Key Management Personnel are interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoters are also interested in us to the extent of their shareholding in us and any benefits arising therefrom. Further, certain of our Promoters and Directors may have interest in entities to the extent of their shareholding and/or directorships, which are in businesses similar to ours and this may result in conflict of interest with us.

46. ***This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, RedSeer Management Consulting Private Limited (RedSeer), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.***

The industry and market information contained in this Draft Red Herring Prospectus includes information derived from an industry report prepared by RedSeer Management Consulting Private Limited (the "**RedSeer Report**") titled "*Report on Beauty and Personal Care Market in India*" and dated December 2022. The RedSeer Report has been commissioned and paid for by us for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged RedSeer in connection with the preparation of the RedSeer Report pursuant to an engagement letter dated July 7, 2022. The RedSeer Report uses certain methodologies for market sizing and forecasting, and may include numbers relating to our Company that differ from those we record internally. Given the scope and extent of the RedSeer Report, disclosures herein are limited to certain excerpts and the RedSeer Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. Neither our Company, the Selling Shareholders nor the BRLMs are related to RedSeer. Further, we have also commissioned third-party research agencies, Crownit and NielsenIQ, to conduct consumer market research studies. For details, see "*Our Business*" on page 139.

Industry sources and publications are also prepared based on information as of specific dates. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

47. ***We have entered into, and will continue to enter into related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.***

We have entered into various related party transactions, which arithmetically aggregated to an absolute total amount (post-elimination) of ₹18.80 million, representing 0.20% of our total revenue from operations during the Financial Year 2022. For further details of the related party transactions, see "*Other Financial Information — Related Party Transactions*" on page 286.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. We cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such future transactions had not been entered into with related parties. We cannot assure you that our Directors and officers will be able to address such conflicts of interests or others in the future.

EXTERNAL RISK FACTORS

Risks Related to India

48. ***A substantial portion of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for BPC products and lead to a decline in our total income and profitability.

While our results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

49. Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 ("**Finance Act**"), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments.Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

50. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

51. Our ability to raise foreign debt may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition, cash flows and results of operations.

52. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. We sell our products on a retail and on a business-to-business basis under the manufacturing model (on a contract manufacturing basis), wholesale trading model and single brand retail. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, wholesale trading as well as single brand product retail, under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, an investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Further, we may be constrained to limit the distribution channels to wholesale basis only for certain products if manufactured overseas in the future. Our inability to comply with any such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Further, in accordance with Rule 6(a) of the FEMA Rules and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 371. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

53. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

54. ***If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

55. ***Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.***

Our Restated Ind AS Summary Statements included in this Draft Red Herring Prospectus have been compiled from:

(a) Our audited Ind AS consolidated financial statements as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable ("**Ind AS**"), which was approved by the Board of Directors at their meeting held on August 31, 2022;

(b) Our audited Ind AS interim consolidated financial statements as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable ("**Ind AS 34**"), which have been approved by the Board of Directors at their meeting held on December 15, 2022; and

(c) Our audited special purpose Ind AS standalone financial statements as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by us after taking into the consideration the requirements of the SEBI Letter and prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications, including the revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI Letter, and were approved by our Board of Directors at their meeting held on December 15, 2022 (the "**Special Purpose Ind AS Standalone Financial Statements**");

Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Consolidated Financial Information and financial information included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

56. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of consumers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The applicability or impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, if we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

Risks Related to the Offer

57. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency. Our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Offer as set forth in "*Objects of the Offer*" beginning on page 98. The funding requirements disclosed as a part of the objects of the Offer are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows

Various risks and uncertainties, including those set forth in this section as well as in "*Objects of the Offer*" beginning on page 98, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, the modes we shall utilize to undertake expenditures and investments towards our advertising and marketing strategies are not specific or identified at this stage. Further, the outcome of this expenditure and investment is not ascertainable or quantifiable at this stage and may be disproportionate to the revenue generated or consumer conversion rates. Similarly, we are also yet to identify the exact locations or enter into agreements for lease of properties for the EBOs or salons which we intend to utilize the Net Proceeds towards the setting up of. While we have included estimated capital expenditure for the EBOs and salons of estimated average sizes on the basis of sample quotations, we have not yet placed any orders for purchase of fit-outs and other installations, and have relied on past expenditures for certain items such as security deposits, for the purposes of estimating utilisation of the Net Proceeds in the future. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates. We may also face delays or incur additional costs due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

58. ***We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have a formal dividend policy as on the date of this Draft Red Herring Prospectus. Further, we have not declared dividends on the Equity Shares during the current Financial Year and the last three Financial Years. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details, see "*Dividend Policy*" on page 200.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on the Shareholders' investments will depend on the appreciation of the price of our Equity Shares. We cannot assure you that our Equity Shares will appreciate in value.

59. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The determination of the Price Band is based on various factors and assumptions, and will be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs. The Offer Price of the Equity Shares is proposed to be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs, through a book-building process. The Offer Price will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 109, and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. Further, the current market prices of some securities listed pursuant to certain previous issues managed by the BRLMs are below their respective issue prices. For further details, see *"Other Regulatory and Statutory Disclosures — Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)*" on page 334. The market price of our Equity Shares may be subject to significant fluctuations, and may decline below the Offer Price, in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances or joint operations;
- claims or proceedings by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;
- developments relating to our peer companies;
- additions or departures of Key Management Personnel; and
- general economic and stock market conditions

In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. There has been significant volatility in the Indian stock markets in the recent past, and the market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our performance. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

60. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10.00%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

The Government of India announced the union budget for Fiscal 2023, following which the Finance Bill, 2022 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ("**Finance Act**"). There is no certainty on the impact of Finance Act on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

61. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Bidders will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

62. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares is proposed to be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, through a book-building process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 109, and may not be indicative of prices that will prevail in the open market following the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

63. Investors may have difficulty enforcing foreign judgments against us or our management.

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

64. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

65. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the NSE and BSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. The exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

66. Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

67. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

68. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of ₹ 10 each(1)(2)(3)	Up to [●] Equity Shares aggregating up to ₹[●] million
of which:	
i. Fresh Issue(1)(2)	Up to [●] Equity Shares, aggregating to ₹ 4,000 million
ii. Offer for Sale by the Selling Shareholders(3)	Up to 46,819,635 Equity Shares, aggregating to ₹[●] million
of which:	
i. Employee Reservation Portion(4)	Up to [●] Equity Shares, aggregating up to ₹ 100 million
Net Offer	Up to [●] Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:	
A) QIB Portion(5)(6)	Not less than [●] Equity Shares
of which:	
Anchor Investor Portion(5)	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)(6)	[●] Equity Shares
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(5)	Not more than [●] Equity Shares
Of which	
One-third available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares
Two-third available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares
C) Retail Portion(5)	Not more than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer as on the date of this Draft Red Herring Prospectus	136,336,336 Equity Shares
Equity Shares outstanding prior to the Offer post coversion of the NCCCPS as on the date of this Draft Red Herring Prospectus(7)	[●] Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds by our Company	See "*Objects of the Offer*" on page 98 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

(2) The Offer including the Fresh Issue of up to ₹4,000 million has been authorized by a resolution of our Board of Directors passed at their meeting held on December 15, 2022, and a special resolution passed by our Shareholders at their meeting held on December 17, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated December 15, 2022.

(3) Each Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The details of such authorisations are provided below:

Name of the Selling Shareholder	***Aggregate amount of Offer for Sale (₹ million)***	***Maximum number of Equity Shares offered in the Offer for Sale***	***Date of board resolution/ authorization***	***Date of consent letter***
Promoter Selling Shareholders				
Varun Alagh	*Up to [●]*	*3,186,300*	-	*December 28, 2022*
Ghazal Alagh	*Up to [●]*	*100,000*	-	*December 28, 2022*
Investor Selling Shareholders				
Evolvence India Coinvest PCC, invested through its Cell E	*Up to [●]*	*220,613*	*December 5, 2022*	*December 26, 2022*
Evolvence India Fund III Ltd	*Up to [●]*	*862,987*	*December 5, 2022*	*December 26, 2022*
Fireside Ventures Fund	*Up to [●]*	*7,972,478*	*December 5, 2022*	*December 26, 2022*
Sofina(c)	*Up to [●]*	*19,133,948*	*December 10, 2022*	*December 26, 2022*
Stellaris(d)	*Up to [●]*	*12,755,965*	*November 30, 2022*	*December 26, 2022*
Other Selling Shareholders				
Kunal Bahl	*Up to [●]*	*777,672*	-	*December 26, 2022*
Rishabh Harsh Mariwala	*Up to [●]*	*477,300*	-	*December 26, 2022*
Rohit Kumar Bansal	*Up to [●]*	*777,672*	-	*December 26, 2022*
Shilpa Shetty Kundra	*Up to [●]*	*554,700*	-	*December 28, 2022*

(4) The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. For further details, see "Offer Structure" on page 350. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible

Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer.

(5) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.*

(6) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. Any undersubscription in the Employee Reservation Portion shall be added to the Net Offer. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For further details, see "Offer Procedure" on page 354.*

(7) *The conversion of the outstanding 581 Class A NCCCPS, 1,885 Class B NCCCPS, 4,845 Class C NCCCPS, 4,161 Class D NCCCPS, 902 Class E NCCCPS and 839 Class F NCCCPS into an aggregate of 170,447,700 Equity Shares will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on page 350, 344 and 354, respectively.

For further details of the terms of the Offer, see "*Terms of the Offer*" on page 344.

SUMMARY OF RESTATED IND AS SUMMARY STATEMENTS

The following tables provide summary of financial information of the Group as at and for the six months period ended September 30, 2022 and as at and for the year ended March 31, 2022 and our Company as at for the years ended March 31, 2021 and 2020 derived from the Restated Ind AS Summary Statements.

The summary of financial information presented below should be read in conjunction with "Restated Ind AS Summary Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 201 and 290, respectively.

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SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million)

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Non-current assets				
Property, plant and equipment	65.57	43.71	11.26	4.15
Capital work in progress	10.12	-	-	-
Goodwill	1,888.38	1,732.90	-	-
Other Intangible assets	1,256.72	1,107.28	-	0.01
Right-of-use assets	736.14	532.14	199.60	5.94
Intangible assets under development	-	18.83	-	-
Financial assets				
i. Other financial assets	938.10	846.16	60.61	3.12
Income tax assets (net)	48.06	48.61	1.52	0.57
Other non-current assets	13.13	-	-	-
Total non-current assets	**4,956.22**	**4,329.63**	**272.99**	**13.79**
Current assets				
Inventories	1,221.31	658.52	413.47	136.71
Financial assets				
i. Investments	2,415.35	3,385.09	1,644.26	1,243.28
ii. Trade receivables	1,419.00	727.86	338.43	106.06
iii. Cash and cash equivalents	94.70	337.45	97.59	19.16
iv. Bank balances other than cash and cash equivalents	869.50	539.40	109.95	244.99
v. Other financial assets	103.39	46.32	4.48	7.84
Other current assets	479.49	325.85	145.22	38.29
Total current assets	**6,602.74**	**6,020.49**	**2,753.40**	**1,796.33**
Total assets	**11,558.96**	**10,350.12**	**3,026.39**	**1,810.12**
Equity and liabilities				
Equity				
Equity share capital	1,363.03	0.13	0.13	0.13
Instruments entirely in the nature of equity	17,929.36	17,929.36	-	-
Other equity	(12,011.07)	(10,873.25)	(17,651.56)	(4,371.83)
Equity attributable to equity holders of the parent	**7,281.32**	**7,056.24**	**(17,651.43)**	**(4,371.70)**
Non-Controlling Interest	105.40	-	-	-
Total equity	**7,386.72**	**7,056.24**	**(17,651.43)**	**(4,371.70)**
Non-current liabilities				
Financial liabilities				
i. Borrowings	-	-	19,539.99	5,927.56
ii. Lease liabilities	661.45	497.96	185.88	3.60
iii. Other financial liabilities	462.37	598.81	-	-
Provisions	45.66	35.54	9.55	3.24
Deferred tax liabilities (net)	63.14	85.60	14.20	-
Total non-current liabilities	**1,232.62**	**1,217.91**	**19,749.62**	**5,934.40**
Current liabilities				
Financial liabilities				
i. Borrowings	72.54	35.86	-	-
ii. Lease liabilities	119.20	62.47	17.43	0.22
iii. Trade payables				
(a) Total outstanding due of micro enterprises and small enterprises	51.77	34.99	121.27	76.97
(b) Total outstanding due of creditors other than micro enterprises and small enterprises.	2,224.38	1,668.53	682.15	142.04
iv. Other financial liabilities	244.55	129.53	45.13	10.72
Provisions	31.44	23.89	9.46	2.57
Other current liabilities	146.04	120.70	52.76	14.90
Income tax liability (net)	49.70	-	-	-
Total current liabilities	**2,939.62**	**2,075.97**	**928.20**	**247.42**
Total liabilities	**4,172.24**	**3,293.88**	**20,677.82**	**6,181.82**
Total equity and liabilities	**11,558.96**	**10,350.12**	**3,026.39**	**1,810.12**

SUMMARY STATEMENT OF PROFIT AND LOSS

(in ₹ million, except as otherwise stated)

Particulars	For the six months period ended	For the year ended		
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Income				
Revenue from operations	7,227.35	9,434.65	4,599.90	1,097.84
Other income	93.34	208.80	121.11	43.83
Total income (I)	**7,320.69**	**9,643.45**	**4,721.01**	**1,141.67**
Expenses				
Purchases of traded goods	2,695.78	3,047.68	1,607.77	490.38
Increase in inventories of traded goods	(568.61)	(213.29)	(280.71)	(122.61)
Employee benefits expenses	777.87	788.46	277.59	89.02
Depreciation and amortization expenses	110.42	68.95	17.12	6.46
Finance costs	30.66	30.05	9.75	0.49
Other expenses	4,183.29	5,697.21	2,723.15	719.51
Change in fair valuation of preference shares	-	-	13,612.43	4,238.68
Total expenses (II)	**7,229.41**	**9,419.06**	**17,967.10**	**5,421.93**
Restated Profit/(loss) before tax (III=I-II)	**91.28**	**224.39**	**(13,246.09)**	**(4,280.26)**
Tax expenses				
Current tax	78.13	64.11	61.89	-
Deferred tax charge/(credit)	(23.52)	15.85	14.17	-
Total tax expenses (IV)	**54.61**	**79.96**	**76.06**	**-**
Restated Profit/(loss) (V=III-IV)	**36.67**	**144.43**	**(13,322.15)**	**(4,280.26)**
Attributable to:				
Equity holders of the parent	76.94	157.15	(13,322.15)	(4,280.26)
Non-controlling interests	(40.27)	(12.72)	-	-
Restated earnings/(loss) per equity share*				
Basic, computed on the basis of Restated Profit/(loss) attributable to equity holders of the parent				
Equity shares, Nominal value of ₹10 each	0.25	0.53	(98.35)	(31.63)
Equity shares, Nominal value of ₹100 each	-	0.53	(98.35)	(31.63)
Diluted, computed on the basis of Restated Profit/(loss) attributable to equity holders of the parent				
Equity shares, Nominal value of ₹10 each	0.25	0.52	(98.35)	(31.63)
Equity shares, Nominal value of ₹100 each	-	0.53	(98.35)	(31.63)

**Not annualised for September 30, 2022*

SUMMARY STATEMENT OF CASH FLOWS

(in ₹ million)

Particulars	Six months period ended	For the year ended		
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Operating activities				
Restated Profit/(loss) before tax [1]	**91.28**	**224.39**	**(13,246.09)**	**(4,280.26)**
Adjustments to reconcile Restated Profit/(loss) before tax to net cash flows **[2]**:				
Depreciation of property, plant and equipment	9.09	7.56	2.97	3.09
Amortisation of intangible assets	37.88	10.52	0.01	0.01
Depreciation of right-of-use assets	63.45	50.87	14.14	3.36
Expected credit loss allowance (allowance for bad and doubtful debts)	13.62	5.34	2.98	0.93
Provision for slow moving inventory	16.00	8.91	3.95	-
Provision for doubtful advances	8.00	-	-	-
Loss on disposal of property, plant and equipment (net)	-	0.40	0.12	-
Share based payments expenses (equity settled)	125.51	167.75	41.54	6.54
Share based payments expenses (cash settled)	7.58	20.15	-	-
Fair value gain on investments	(1.95)	(88.84)	(76.64)	(21.41)
Change in fair valuation of preference shares	-	-	13,612.43	4,238.68
Gain on sale of investments	(32.42)	(43.46)	(22.21)	(14.89)
Interest income	(51.11)	(66.59)	(19.38)	(7.06)
Finance costs	30.66	30.05	9.75	0.49
Operating cash flow before working capital changes [1+2]=[3]	**317.59**	**327.05**	**323.57**	**(70.52)**
Movement in working capital **[4]**:				
Increase in trade receivables	(705.67)	(331.17)	(235.35)	(80.65)
Increase in other financial assets	(68.97)	(10.05)	(10.45)	(36.73)
Increase in trade payables	572.63	874.39	584.41	181.88
(Decrease)/Increase in financial liabilities	(48.19)	4.69	34.41	-
Increase in provisions	19.68	27.20	13.31	7.77
Increase in inventories	(578.79)	(212.70)	(280.71)	(122.68)
Increase in other liabilities	25.34	9.43	37.86	17.38
Increase in other current assets	(161.64)	(148.33)	(106.94)	-
Cash flow (used in)/from operating activities [3+4] =[5]	**(628.02)**	**540.51**	**360.11**	**(103.55)**
Income tax paid **[6]**	(27.87)	(94.63)	(62.85)	-
Net cash flow from/(used in) operating activities – A [5-6]	**(655.89)**	**445.88**	**297.26**	**(103.55)**
Investing activities				
Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)	(42.75)	(14.08)	(10.20)	(4.62)
Purchase of other Intangible Assets	-	(12.20)	-	-
(Investment in)/Redemption of bank deposits	(388.86)	(1,195.95)	81.77	(223.77)
Purchase of current investment	(296.20)	(6,104.47)	(749.87)	(1,343.46)
Redemption of current investment	1,300.31	4,496.65	447.73	401.90
Interest received	25.72	28.07	24.51	0.73
Acquisition of subsidiaries, net of cash acquired	(139.17)	(1,633.06)	-	-
Acquisition of business, net of cash acquired	-	(562.53)	-	-
Settlement of NCI Liability	(4.63)	-	-	-
Net cash flow from/(used in) investing activities – B	**454.42**	**(4,997.57)**	**(206.06)**	**(1,169.22)**
Financing activities				
Repayment of current borrowings	(24.02)	-	-	-
Proceeds from issuance of NCCCPS		4,863.87		1,290.27
Proceeds from issuance of equity shares (net)	48.35	1.39	0.90	0.38
Principal repayment of lease liabilities	(43.29)	(27.24)	(3.92)	(3.34)
Interest on lease liabilities	(25.23)	(25.75)	(8.05)	(0.22)
Finance cost paid	(5.43)	(4.30)	(1.70)	(0.22)
Net cash flows from/(used in) financing activities – C	**(49.62)**	**4,807.97**	**(12.77)**	**1,286.87**

(in ₹ million)

Particulars	Six months period ended	For the year ended		
	September 30, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
Net (decrease)/increase in cash and cash equivalents [A+B+C]	**(251.09)**	**256.28**	**78.43**	**14.10**
Cash and cash equivalents at the beginning of the period/year	303.88	97.59	19.16	5.06
Less: Bank overdraft on date of acquisition during the period/year	(29.95)	(49.99)	-	-
Cash and cash equivalents at the end of the period/year	**22.84**	**303.88**	**97.59**	**19.16**
Components of cash and cash equivalents				
Balance with banks				
- on current accounts	93.63	336.43	97.24	19.05
- Cash in hand	1.07	1.02	0.35	0.11
Less: Bank overdraft	(71.86)	(33.57)	-	-
Total cash and cash equivalents	**22.84**	**303.88**	**97.59**	**19.16**

GENERAL INFORMATION

Our Company was incorporated as 'Honasa Consumer Private Limited' at New Delhi as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 16, 2016, issued by the RoC. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Honasa Consumer Limited' pursuant to a fresh certificate of incorporation dated November 11, 2022 issued by the RoC.

Corporate Identity Number and Registration number

Corporate Identity Number: U74999DL2016PLC306016

Company Registration Number: 306016

Registered Office

Honasa Consumer Limited
Unit No. 404, 4th Floor,
City Centre, Plot No 05,
Sector – 12, Dwarka- South West Delhi
Delhi – 110 075
India

For further details of past changes in the registered office address of our Company, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 170.

Corporate Office

Honasa Consumer Limited
Plot No. 63, 4th Floor
BLM Tower
Netaji Subhash Marg
Sector-44, Gurugram - 122 003
Haryana, India

Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana, situated at:

4th Floor, IFCI Tower
61 Nehru Place
New Delhi - 110 019
Delhi, India

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

It will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Maharashtra, India

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with section 32 read with section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, and through the electronic portal.

Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Varun Alagh	Chairman, Whole-time Director and Chief Executive Officer	07597289	H. No. 2904, Sector 46, Gurgaon 122 003, Haryana, India
Ghazal Alagh	Whole-time Director and Chief Innovation Officer	07608292	H. No. 2904, Sector 46, Gurgaon 122 003, Haryana, India
Ishaan Mittal*	Non-executive Director	07948671	D 502, Pearl Gateway Tower, Sector 44, Noida, Gautam Budh Nagar, Noida 201 301, Uttar Pradesh, India
Vivek Gambhir	Independent Director	06527810	D-84, Malcha Marg, Chanakyapuri, New Delhi 110021, Delhi, India
Subramaniam Somasundaram	Independent Director	01494407	No-46, Chaithanya Smaran, Whitefield Hoskote Main Road, Kadugodi Post, Bangalore 560067, Karnataka, India
Namita Gupta	Independent Director	07337772	E-71, Phase 5, DLF Belaire, Golf Course Road, Sikanderpur Ghosi (68), DLF Qe, Farukhnagar, Gurgaon, Haryana, 122002, India

* *Nominee of SCI*

For further details of our Board, see "*Our Management*" on page 180.

Company Secretary and Compliance officer of our Company

Dhanraj Dagar
Plot No. 63, 4th Floor, BLM Tower
Netaji Subhash Marg, Sector-44
Gurugram 122 003
Haryana, India
Tel: +91 124 4071960
E-mail: compliance@mamaearth.in

Statutory Auditor

S.R. Batliboi & Associates LLP
12th Floor, UB City, Canberra Block, No.24
Vittal Mallya Road
Bengaluru, Karnataka- 560001
Tel: +91 80 6648 9000
E-mail: srba@srb.in
Peer Review No: 013325
Firm Registration Number: 101049W/E300004

There has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C - 27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: honasa.ipo@kotak.com
Website: www.investmentbank.kotak.com
Investor grievance ID: kmccredressal@kotak.com
Contact person: Ganesh Rane
SEBI registration no.: INM000008704

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: honasa.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance ID: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
SEBI registration no: INM000010361

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre
G-Block, C54 &55 Bandra Kurla Complex
Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: honasaipo@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Investor grievance ID: investors.cgmib@citi.com
Contact person: Vedika Chitnis
SEBI registration no: INM000010718

J.P. Morgan India Private Limited
J.P. Morgan Tower, Off CST Road, Kalina
Santacruz East, Mumbai 400 098
Maharashtra, India
Tel: +91 22 6157 3000
E-mail: HONASA_IPO@jpmorgan.com
Website: www.jpmipl.com
Investor grievance ID:investorsmb.jpmipl@jpmorgan.com
Contact person: Nidhi Wangnoo and Dev Pinto
SEBI registration no.: INM000002970

Legal Advisors to the Offer

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Level 1 & 2, Max Towers
C-001/A, Sector 16 B
Noida 201 301
Uttar Pradesh, India
Tel: +91 120 669 9000

Legal Counsel to the Book Running Lead Managers as to Indian law

IndusLaw
2nd Floor, Block D
The MIRA, Mathura Road, Ishwar Nagar
New Delhi 110 065, India
Tel: +91 11 4782 1000

International Legal Counsel to the Book Running Lead Managers

Sidley Austin LLP
Level 31, Six Battery Road,
Singapore 049909
Tel: +65 6230 3900

Legal Counsel to the Promoter Selling Shareholders as to Indian law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6792 2000

Legal Counsel to Evolvence India Coinvest PCC, invested through its Cell E, Evolvence India Fund III Ltd, Sofina, Stellaris, Fireside Ventures Fund, Kunal Bahl, Rohit Kumar Bansal and Rishabh Harsh Mariwala as to Indian Law

Khaitan and Co
Embassy Quest, 3rd Floor
45/1 Magrath Road
Bengaluru 560 025, India
Tel: + +91 80 4339 7000

Registrar to the Offer

KFin Technologies Limited
(*formerly known as KFin Technologies Private Limited*)
Selenium Tower B, Plot No. 31 and 32
Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: hcl.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank and Public Offer Account Bank

[●]

Sponsor Banks

[●]

Bankers to our Company

HDFC Bank Limited
HDFC Bank Ltd, Shop No 27, 28 & 42
Star Tower NH-8, Sector -30, Gurgaon 122 001
Haryana, India
Tel: +91 9899472650
E-mail: amar.bhardwaj@hdfcbank.com
Contact Person: Amar Bharadwaj
Website: www.hdfcbank.com

Kotak Mahindra Bank Ltd
5th Floor, IBIS Commercial Block,
New Delhi 110 037
Tel: +91 9873931341
Email: Shobhit.garg@kotak.com
Contact Person: Shobhit Garg
Website: www.kotak.com

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the respective Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 28, 2022 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report, dated December 15, 2022 on our Restated Ind AS Summary Statements; and (ii) their report dated December 28, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated December 28, 2022 from B.B. & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities in relation to the Offer among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	Kotak
2.	Positioning strategy, drafting of business section and industry section of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus	BRLMs	J.P. Morgan, Kotak
3.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Kotak
4.	Drafting and approval of all statutory advertisements	BRLMs	Kotak
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	Citi
6.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Citi
7.	Preparation of road show presentation and frequently asked questions	BRLMs	J.P. Morgan
8.	International institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Citi
9.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Kotak
10.	Retail and Non-Institutional marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	JM Financial
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	JM Financial
12.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholder	BRLMs	J.P. Morgan
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	JM Financial

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms) within the Price Band and the minimum Bid Lot, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date. For further details, see "*Offer Procedure*" on page 354.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws.

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

The Bidders should note that the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 344, 350 and 354, respectively.

For details in relation to filing of this Draft Red Herring Prospectus, see *"-Filing of this Draft Red Herring Prospectus"* on page 71.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details below have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable)

The Underwriting Agreement is dated [●].The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after the Offer Price is determined and allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/ IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Details of the share capital of our Company, as at the date of this Draft Red Herring Prospectus, are as set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL[1]**		
	Equity shares comprising:		
	340,000,000 Equity Shares of face value of ₹ 10 each	3,400,000,000	-
	290 equity shares of face value of ₹ 90 each	26,100	
	580 equity shares of face value of ₹ 100 each	58,000	
	Preference shares comprising:		
	5,839 Class A NCCCPS of face value of ₹ 10 each	58,390	
	1,885 Class B NCCCPS of face value of ₹ 10 each	18,850	
	4,845 Class C NCCCPS of face value of ₹ 10 each	48,450	
	4,161 Class D NCCCPS of face value of ₹ 10 each	41,610	
	5,000 Class E NCCCPS of face value of ₹ 10 each	50,000	
	5,000 Class F NCCCPS of face value of ₹ 10 each	50,000	
	Total	**3,400,351,400**	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	136,336,336 Equity Shares of face value of ₹ 10 each[6]	1,363,363,360	-
	581 Class A NCCCPS of face value ₹ 10 each[4]	5,810	
	1,885 Class B NCCCPS of face value ₹ 10 each[4]	18,850	
	4,845 Class C NCCCPS of face value ₹ 10 each[4]	48,450	
	4,161 Class D NCCCPS of face value ₹ 10 each[4]	41,610	
	902 Class E NCCCPS of face value ₹ 10 each[4]	9,020	
	839 Class F NCCCPS of face value ₹ 10 each[4]	8,390	
	Total	**1,363,495,490**	
D	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹ [●] million [2]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million[2]#	[●]	[●]
	Offer for Sale of up to 46,819,635 Equity Shares aggregating up to ₹[●] million [3]	[●]	[●]
	Which includes		
	Employee Reservation Portion of up to [●] Equity Shares[5]		
E	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	5,194.55 million	
	After the Offer	[●]	

* *To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment.*

\# *Our Company in consultation with the BRLMs, may consider the Pre-IPO Placement of [●] Equity Shares for cash consideration aggregating up to ₹ 800 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.*

(1) *For details of changes in the authorised share capital of our Company since incorporation, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 170.*

(2) *The Offer including the Fresh Issue of up to ₹ 4,000 million has been authorised by our Board pursuant to the resolution passed at their meeting dated December 15, 2022 and by our Shareholders pursuant to the special resolution passed at their extraordinary general meeting dated December 17, 2022*

(3) *The Selling Shareholders have severally and not jointly confirmed and approved their respective participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 64 and 329 respectively.*

(4) *The conversion of the outstanding 581 Class A NCCCPS, 1,885 Class B NCCCPS, 4,845 Class C NCCCPS, 4,161 Class D NCCCPS, 902 Class E NCCCPS and 839 Class F NCCCPS will be completed prior to the filing of the Red Herring Prospectus with RoC in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For further details, "-Conversion of outstanding NCCCPS" on page 84.*

(5) *Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.*

(6) *For details in relation to the bonus issuance of Equity Shares on May 11, 2022, see, "-Notes to the Capital Structure – Share capital history of our Company – (a) Equity share capital" on page 80.*

Notes to the Capital Structure

1. Share capital history of our Company

(rest of this page has been intentionally left blank)

(a) **Equity share capital**

The history of the equity share capital of our Company is set forth below:

Equity Shares having a face value of ₹10 each

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
September 16, 2016	Allotment pursuant to initial subscription to the Memorandum of Association	Cash	10,000	10,000	10	10	Allotment of 9,000 Equity Shares to Varun Alagh and 1,000 Equity Shares to Ghazal Alagh (as initial subscribers to the Memorandum of Association)
September 1, 2018	Private placement/ preferential allotment	Cash	200	10,200	10	54,522	Allotment of 100 Equity Shares each to Stellaris and Fireside Ventures Fund
March 6, 2020	Allotment pursuant to ESOP 2018	Cash	7	10,207	10	54,512	Allotment of seven Equity Shares to Nikunj Dujari
February 4, 2021	Allotment pursuant to ESOP 2018	Cash	3	10,210	10	25,889	Allotment of three Equity Shares to Mihir Kumar Choudhary
February 4, 2021	Allotment pursuant to ESOP 2018	Cash	15	10,225	10	54,512	Allotment of eight Equity Shares to Abhishek Gupta, five Equity Shares to Kunwarjeet Singh Grover and two Equity Shares to Siddharth Sharma
January 6, 2022	Allotment pursuant to ESOP 2018	Cash	1	10,226	10	25,888.79	Allotment of one Equity Share to Mihir Kumar Choudhary
January 6, 2022	Allotment pursuant to ESOP 2018	Cash	8	10,234	10	54,512	Allotment of three Equity Shares to Abhishek Gupta, two Equity Shares each to Kunwarjeet Singh Grover and Ashutosh Kr. Mamgain and one Equity Share to Vidushi Goyal
January 6, 2022	Allotment pursuant to ESOP 2018	Cash	22	10,256	10	263,565.86	Allotment of four Equity Shares each to Abhishek Raj Pandey and Raman Preet Sohi, three Equity Shares each to Jayant Chauhan, Sambit Dash and Ashish Mishra, two Equity Shares to Pooja Agrawal and one Equity Share each to Vipul Maheshwari, Akshit Johri and Durgesh Agarwal
Pursuant to a Shareholder's resolution dated April 28, 2022, 290 equity shares of face value of ₹ 100 were sub divided to 290 equity shares of face value of ₹ 90 and 290 equity shares of face value of ₹10.							
May 11, 2022	Bonus issue in the ratio of 1:12,899	NA	136,032,854	136,043,400	10	NA	Allotment of 106,829,518 Equity Shares to Varun Alagh, 10,164,412 Equity Shares to Ghazal Alagh, 12,899 Equity Share to Durgesh Agarwal, 1,844,557 Equity Shares each to Fireside Ventures Fund and Stellaris, 5,159,600 Equity Shares to SCI VI, 90,293 Equity Shares to Dilipkumar Karodimal Khandelwal, 3,302,144 Equity Shares to Sofina, 348,273 Equity Shares to Vishal Agrawal*, 2,850,679 Equity Shares to SCI III, 1,393,092 Equity Shares to Shilpa Shetty Kundra*, 1,315,698 Equity Shares to Evolvence India Fund III Ltd* and 877,132 Equity Shares to Evolvence India Coinvest PCC, invested through its Cell E*
September 13, 2022	Preferential allotment	Cash	230,435	136,273,835	10	262.40	Allotment to Shilpa Shetty Kundra

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Name of allottees/ shareholders
September 22, 2022	Allotment pursuant to ESOP 2018	Cash	29,025	136,302,860	10	20.43	Allotment to Nitin Malhotra
November 24, 2022	Allotment pursuant to ESOP 2018	Cash	33,476	136,336,336	10	20.43	Allotment of 12,900 Equity Shares to Divyapreet Singh and 20,576 Equity Shares to Saurabh Jyot Singh

**Pursuant to the split of 290 equity shares of face value of ₹100 into 290 equity shares of face value of ₹90 and 290 equity shares of face value of ₹10. Shilpa Shetty Kundra, Vishal Agrawal, Evolvence India Fund III Ltd and Evolvence India Coinvest PCC, invested through its Cell E, also held Equity Shares having face value of ₹ 10 as on the date of this bonus issuance and hence were allotted such Equity Shares pursuant to the bonus issuance on May 11, 2022. For further details in relation to the equity shares having face value of ₹ 100 and ₹ 90, see, "-Notes to the Capital Structure – Share capital history of our Company – (a) Equity share capital – Equity shares having a face value of ₹ 100 and ₹ 90 each" on page 82.*

Equity shares having a face value of ₹ 100 and ₹ 90 each

Date of allotment/ buy back of equity shares	Nature of allotment/ details of buy back	Nature of consideration	Number of equity shares allotted/ bought back	Face value per equity share (in ₹)	Issue price/ buy back price per equity share (in ₹)	Name of allottees/ shareholder/ persons from whom equity shares were bought back
May 16, 2018	Private placement	Cash	290	100	25,888.59	Allotment of 290 equity shares to Shilpa Shetty Kundra(1)
Pursuant to a Shareholder's resolution dated April 28, 2022, 290 equity shares of face value of ₹ 100 were sub divided to 290 equity shares of face value of ₹ 90 and 290 equity shares of face value of ₹10. Accordingly, pursuant to such split, Shilpa Shetty Kundra, Evolvence India Fund III Ltd, Evolvence India Coinvest PCC, invested through its Cell E and Vishal Agrawal hold 108, 102, 68 and 12 equity shares having a face value of ₹90 each, respectively.						
September 13, 2022	Buy back	-	(290)	90	90	Buy-back of 12 equity shares from Vishal Agarwal, buy back of 102 equity shares from Evolvence India Fund III Ltd, buy back of 68 equity shares from Evolvence India Coinvest PCC, invested through its Cell E and buy back of 108 equity shares from Shilpa Shetty Kundra

(1) On September 11, 2021, 12 equity shares having face value of ₹ 100 each were transferred from Shilpa Shetty Kundra to Vishal Agrawal. Further, on December 7, 2021, 102 and 68 equity shares having face value of ₹ 100 each were transferred from Shilpa Shetty Kundra to Evolvence India Fund III Ltd and Evolvence India Coinvest PCC, invested through its Cell E, respectively

As on the date of this DRHP, there are no issued, subscribed and paid up equity shares having face value ₹90 and ₹100. In accordance with Section 68(8) of the Companies Act, our Company will not make a further issue of Equity Shares, including pursuant to the Pre IPO Placement or the Fresh Issue, within a period of six months of the completion of the buy back dated September 13, 2022, except by way of a bonus issue or in the discharge of subsisting obligations such as the ESOP Schemes or conversion of the Preference Shares.

(b) **Preference share capital**

The history of the preference share capital of our Company is set forth in the table below:

Date of allotment of Preference Shares	Nature of allotment	Nature of consideration	Number of Preference Shares	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Name of allottees/ shareholders
Class A NCCCPS						

Date of allotment of Preference Shares	Nature of allotment	Nature of consideration	Number of Preference Shares	Face value per Preference Share (in ₹)	Issue price per Preference Share (in ₹)	Name of allottees/ shareholders
December 5, 2016	Rights issue	Cash	581	10	12,953	Allotment of 233 Class A NCCCPS to Kanwaljit Singh, managing trustee on behalf of Fireside Ventures Trust, 116 Class A NCCCPS each to Suhail Sameer, Vijay Nehra and Shashank Shekhar
Class B NCCCPS						
August 29, 2017	Rights issue	Cash	1,885	10	25,888.59	Allotment of 1,347 Class B NCCCPS to Fireside Ventures Fund and 269 Class B NCCCPS each to Kunal Bahl and Rohit Kumar Bansal
Class C NCCCPS						
September 1, 2018	Private placement/ preferential allotment	Cash	4,845	10	54,522	Allotment of 2,131 Class C NCCCPS to Stellaris, 1,780 Class C NCCCPS to Fireside Ventures Fund, 734 Class C NCCCPS to Rishabh Harsh Mariwala and 100 Class C NCCCPS each to Kunal Bahl and Rohit Kumar Bansal
Class D NCCCPS						
January 3, 2020	Preferential allotment	Cash	4,161	10	310,089.89	Allotment of 363 Class D NCCCPS each to Fireside Ventures Fund and Stellaris, 3,346 Class D NCCCPS to SCI VI, 65 Class D NCCCPS to Rishabh Harsh Mariwala and 24 Class D NCCCPS to SCI Trust
Class E NCCCPS						
July 22, 2021	Preferential allotment	Cash	656	10	2,243,696	Allotment of 656 Class E NCCCPS to Sofina
July 26, 2021	Preferential allotment	Cash	246	10	2,243,696	Allotment of 164 Class E NCCCPS to Evolvence India Fund III Ltd and 82 Class E NCCCPS to SCI VI
Class F NCCCPS						
December 31, 2021	Preferential allotment	Cash	839	10	3,385,049	Allotment of 839 Class F NCCCPS to SCI III

2. Conversion of outstanding NCCCPS

Prior to filing of the RHP, an outstanding of (i) 581 Class A NCCCPS, (ii) 1,885 Class B NCCCPS, (iii) 4,845 Class C NCCCPS, (iv) 4,161 Class D NCCCPS, (v) 902 Class E NCCCPS, (vi) 839 Class F NCCCPS will be converted into an aggregate of 170,447,700 Equity Shares.

In terms of the SHA and the Shareholder's resolution dated May 11, 2022, as per the conversion terms of the NCCCPS, each NCCCPS is convertible into 12,900 Equity Shares. The NCCCPS will be converted to Equity Shares, in accordance with the terms of the NCCCPS, as prescribed in the SHA, the board resolution dated April 28, 2022 and the Shareholder's resolution dated May 11, 2022. For details of the terms of the NCCCPS, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 178.

3. Shares issued for consideration other than cash or out of revaluation reserves (excluding bonus issuance)

Our Company has not issued any Equity Shares, for consideration other than cash or out of the revaluation reserves, as on the date of this Draft Red Herring Prospectus.

4. Shares issued under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Our Company has not allotted any equity shares and Preference Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

5. Securities or Equity Shares issued at a price lower than the Offer Price in the preceding one year

The Offer Price is [●]. For further details in relation to the issuances in preceding one year, see " – *Notes to the Capital Structure – Share capital history of our Company – (a) Equity share capital*" on page 81.

6. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) ^	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights: Class e.g.: Equity Shares	Number of Voting Rights: Class e.g.: Others	Number of Voting Rights: Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A)	Promoters and Promoter Group	5	117,002,850	-	NA	117,002,850	85.82	117,002,850	-	117,002,850	85.82	-	37.60		-		-	117,002,850
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
I	Non Promoter-Non Public	35	19,333,486	-	NA	19,333,486	14.18	19,333,486	-	19,333,486	14.18	13,213	62.40		-		-	16,482,586
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**40**	136,336,336	-	-	136,336,336	100	136,336,336	-	136,336,336	100	13,213	100	-		-		133,485,436

^ Prior to filing of the RHP, an outstanding of (i) 581 Class A NCCCPS, (ii) 1,885 Class B NCCCPS, (iii) 4,845 Class C NCCCPS, (iv) 4,161 Class D NCCCPS, (v) 902 Class E NCCCPS, (vi) 839 Class F NCCCPS will be converted into an aggregate of 170,447,700 Equity Shares.

7. **Details of equity shareholding of the major shareholders of our Company:**

a) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Number of NCCCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)*
1.	Varun Alagh	106,737,650	-	34.30
2.	SCI VI	5,160,000	4,298	19.48
3.	Fireside Ventures Fund	1,844,700	2,363	10.39
4.	Stellaris	1,844,700	2,148	9.50
5.	Sofina	3,302,400	2,034	9.49
6.	SCI III	2,850,900	872	4.53
7.	Ghazal Alagh	10,065,200	-	3.23
8.	Rishabh Harsh Mariwala	-	707	2.93
9.	Evolvence India Fund III LTD	1,315,800	164	1.10

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

b) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Number of NCCCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)*
1.	Varun Alagh	106,737,650^	-	34.30
2.	SCI VI	5,160,000	4,298	19.48
3.	Fireside Ventures Fund	1,844,700	2,363	10.39
4.	Stellaris	1,844,700	2,148	9.50
5.	Sofina	3,302,400	2,034	9.49
6.	SCI III	2,850,900	872	4.53
7.	Ghazal Alagh	10,065,200	-	3.23
8.	Rishabh Harsh Mariwala	-	707	2.93
9.	Evolvence India Fund III Ltd	1,315,800	164	1.10

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

^ *Taking into account the transfer of 10 Equity Shares each to 15 individuals by Varun Alagh which was noted by the Board pursuant to a resolution dated December 15, 2022. For further details, see "- History of the equity share capital held by our Promoters - Build-up of Promoters' equity shareholding in our Company" on page 87*

c) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Number of NCCCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)*
1.	Varun Alagh	8,499	-	36.85
2.	SCI VI	400	4,298	20.37
3.	Fireside Ventures Fund	143	2,363	10.86
4.	Stellaris	143	2,148	9.93
5.	Sofina	230	2,034	9.82
6.	Ghazal Alagh	788	-	3.42
7.	Rishabh Harsh Mariwala	-	707	3.07
8.	Evolvence India Fund III Ltd	102	164	1.15

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

d) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Number of NCCCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)*
1.	Varun Alagh	8,514	-	38.61
2.	SCI VI	400	4,216	20.94
3.	Fireside Ventures Fund	143	3,167	15.01
4.	Stellaris	143	2,336	11.24

S. No.	Name of the Shareholder	Number of Equity Shares	Number of NCCCPS	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)*
5.	Ghazal Alagh	1,000	-	4.54
6.	Rishabh Harsh Mariwala	-	771	3.50
7.	Kunal Bahl	-	314	1.42
8.	Rohit Kumar Bansal	-	314	1.42
9.	Shilpa Shetty Kundra	290	-	1.32

* *Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes*

8. History of the equity share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters, i.e. Varun Alagh and Ghazal Alagh in aggregate hold 116,802,850 Equity Shares, representing 37.53% of the issued, subscribed and paid-up equity share capital of our Company, calculated on a fully diluted basis. The details regarding our Promoters' shareholding are set forth below.

a) *Build-up of Promoters' equity shareholding in our Company*

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)^	Percentage of fully diluted post- Offer capital (%)
Varun Alagh							
September 16, 2016	Allotment pursuant to initial subscription to the Memorandum of Association	9,000	Cash	10	10	Negligible	[●]
January 3, 2020	Transfer to SCI VI	(400)	Cash	10	263,576.41	Negligible	[●]
January 3, 2020	Transfer to Stellaris	(43)	Cash	10	263,576.41	Negligible	[●]
January 3, 2020	Transfer to Fireside Ventures Fund	(43)	Cash	10	263,576.41	Negligible	[●]
September 7, 2021	Transfer to Vishal Agrawal	(15)	Cash	10	2,019,326.40	Negligible	[●]
January 27, 2022	Transfer to SCI III	(191)	Cash	10	3,385,049	Negligible	[●]
March 8, 2022	Transfer to Sofina	(26)	Cash	10	3,385,049	Negligible	[●]
May 11, 2022	Bonus issue in the ratio of 1:12,899	106,829,518	NA	10	NA	34.34	[●]
September 22, 2022	Transfer to Mukesh Alagh	(50,000)	NA	10	Gift	(0.02)	[●]
September 22, 2022	Transfer to Jaspal Alagh	(50,000)	NA	10	Gift	(0.02)	[●]
December 15, 2022[&]	Transfer of 10 Equity Shares each to Pratistha Das, Rahul Bhandari, Bhishm Sharma, Rahul Agrawal, Sanchi Aggarwal, Subham Singha Roy, Anjela Arun Massey, Aditya Sharma, Abishek Bhat, Pragya Prasun, Apoorva Goel, Aditya Mishra, Bhavesh Ambalal Jain, Subham Kumar Panigrahi and Monika Yadav	(150)	NA	10	Gift	Negligible	[●]
Sub-Total (A)		**106,737,650**				**34.30**	**[●]**
Ghazal Alagh							
September 16, 2016	Allotment pursuant to initial subscription to the Memorandum of Association	1,000	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)^	Percentage of fully diluted post- Offer capital (%)
March 4, 2021	Transfer to Sofina	(212)	Cash	10	1,088,755	Negligible	[●]
May 11, 2022	Bonus issue in the ratio of 1:12,899	10,164,412	NA	10	NA	3.27	[●]
September 22, 2022	Transfer to Sunita Sahni	(100,000)	NA	10	Gift	(0.03)	[●]
Sub-Total (B)		**10,065,200**				**3.23**	**[●]**
Total (A+B)		**116,802,850**				**37.53**	**[●]**

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding NCCCPS and vested options under the ESOP Schemes

& Transfer noted by the Board pursuant to a resolution dated December 15, 2022.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

b) *Shareholding of our Promoters and Promoter Group*

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (on a fully diluted basis) (%)	Number of ESOPs outstanding	Post-Offer number of Equity Shares	Percentage of the post-Offer equity share capital (%)
Promoters						
1.	Varun Alagh	106,737,650	34.30	Nil	[●]	[●]
2.	Ghazal Alagh	10,065,200	3.23	Nil	[●]	[●]
Total (A)		**116,802,850**	**37.53**	**Nil**	**[●]**	**[●]**
Promoter Group						
1.	Mukesh Alagh	50,000	0.02	Nil	[●]	[●]
2.	Jaspal Alagh	50,000	0.02	Nil	[●]	[●]
3.	Sunita Sahni	100,000	0.03	Nil	[●]	[●]
Total(B)		**200,000**	**0.07**	**Nil**	**[●]**	**[●]**
Total (A+B)		**117,002,850**	**37.60**	**Nil**	**[●]**	**[●]**

9. Details of Promoters' Contribution and Lock-in

a) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters, shall be locked in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

b) The details of the Equity Shares to be locked-in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up equity share capital	Percentage of post-Offer paid-up Equity Share capital*	Date up to which the Equity Shares are subject to lock in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of the Basis of Allotment.*

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *History of the equity share capital held by our Promoters*" on page 87.

In this connection, we confirm that the Equity Shares considered as Promoters' Contribution:

(i) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash and any revaluation of assets or capitalisation of intangible assets was not involved in such transactions;

(ii) did not result from a bonus issue during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of our Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoters' Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership.

10. Details of Equity Shares locked-in for six months:

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for 18 months, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment except for (i) any Equity Shares held by the employees (whether currently employees or not) of our Company which have been or will be allotted to them under the ESOP Schemes; and (ii) the Equity Shares held by Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by such VCFs or Category I AIFs or Category II AIFs or FVCI Shareholders respectively, subject to the provisions of Regulation 8A(c) of the SEBI ICDR Regulations. In accordance with Regulation 8A(c) of the SEBI ICDR Regulations, for Shareholders holding (individually or with persons acting in concert) more than 20% of pre-Offer shareholding of our Company on a fully diluted basis, the provisions of lock-in as specified under Regulation 17 of the SEBI ICDR Regulations shall be applicable, and relaxation from lock-in as provided under Regulation 17(c) of the SEBI ICDR Regulations is not applicable. Stellaris and Fireside Ventures Fund, being Category I AIFs each holding less than 20% of the pre – Offer share capital of the Company, are exempt from the lock – in period of six months from the date of purchase as envisaged under Regulation 17 of the SEBI ICDR Regulations.

11. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

12. Other requirements

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 18 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of six months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to the other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

13. Except for the allotment of Equity Shares upon exercise of options vested pursuant to the ESOP Schemes, the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

14. Except for any issue of Equity Shares pursuant to Fresh Issue, allotment of Equity Shares pursuant to the Pre-IPO Placement, conversion of outstanding NCCCPS, exercise of options vested under the ESOP Schemes, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

15. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 40.

16. As on the date of this Draft Red Herring Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.

17. Except as disclosed under "*Notes to the Capital Structure – Share Capital History of our Company – Equity share capital*" and *"-History of the equity share capital held by our Promoters"* on pages 81 and 87, none of our Promoters, member of our Promoter Group or any of the Directors or their relatives, as applicable, have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

18. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than the normal course of business, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

19. Our Company, any of our Directors and the BRLMs have not entered into any buy back arrangements for purchase of Equity Shares from any person.

20. The Equity Shares issued and transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. The members of the Promoter Group shall not participate in the Offer nor receive any proceeds from the Offer.

22. No person connected with the Offer shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

23. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

24. Except as disclosed in this section, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

25. Employee Stock Options Scheme of our Company

As on the date of this Draft Red Herring Prospectus, the ESOP Schemes have a common pool pursuant to which the maximum number of Equity Shares that can be issued under the ESOP Schemes is 12,115,099.

a. ESOP 2018

Our Company adopted the ESOP 2018 pursuant to the resolution passed by our Board on August 2, 2018 and the resolution passed by the Shareholders on August 13, 2018. The ESOP 2018 was further amended pursuant to the resolutions passed by the Board and Shareholders dated December 15, 2022 and December 17, 2022, respectively. The ESOP 2018 is in compliance with the SEBI SBEB & SE Regulations.

The details of the ESOP 2018, as certified by B.B. & Associates, Chartered Accountants dated December 28, 2022, through their certificate, are as follows:

Particulars	Details		
Options granted	**Financial Year/ Period**	**Total number of options granted**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2020	140	1,806,000^
	Financial Year ended March 31, 2021	168	2,167,200^
	Financial Year ended March 31, 2022	198	2,554,200^
	For the six-month period ended September 30, 2022	907,792	907,792
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	201,419	201,419
No. of employees to whom options were granted*	Employees of the Company: 151		
	Employees of the Subsidiaries: 4		
Options outstanding as on date of the DRHP#	8,216,305		
Exercise price of options (in ₹)^	₹ 2.00 - ₹ 262.41		
Vesting Period (from date of grant)	4 Years (25% of the options granted shall vest at the end of 12 months from the date of issue of options, thereafter, balance 75% of the options granted shall vest in equal installments at the end of each quarter for next 3 years i.e. 6.25% quarterly vesting)		
Options vested (excluding options that have been exercised)	**Financial Year/Period**	**Total number of options vested and not exercised**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2020	42	541,800^
	Financial Year ended March 31, 2021	102	1,315,800^
	Financial Year ended March 31, 2022	204	2,631,600^
	For the six-month period ended September 30, 2022	3,730,519	3,730,519
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	4,264,257	4,264,257
Options exercised	**Financial Year/Period**	**Total number of options exercised**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2020	7	90,300^
	Financial Year ended March 31, 2021	18	232,200^
	Financial Year ended March 31, 2022	31	399,900^
	For the six-month period ended September 30, 2022	29,025	29,025
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	33,476	33,476
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/lapsed/cancelled options)	**Financial Year/ Period**	**Total number of options**	**Resultant number of Equity Shares^**
	Financial Year ended March 31 2020	279	3,599,100^
	Financial Year ended March 31 2021	429	5,534,100^
	Financial Year ended March 31 2022	589	7,598,100^
	For the six-month period ended sept 30, 2022	8,051,974	8,051,974

<table>
<tr><th>Particulars</th><th colspan="4">Details</th></tr>
<tr><td></td><td colspan="2">For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus</td><td>8,216,305</td><td>8,216,305</td></tr>
<tr><td rowspan="6">Options forfeited/lapsed/cancelled</td><td colspan="2">Financial Year/Period</td><td>Total number of options</td><td>Resultant number of Equity Shares</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2020</td><td>21</td><td>270,900^</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2021</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2022</td><td>7</td><td>90,300^</td></tr>
<tr><td colspan="2">For the six-month period ended September 30, 2022</td><td>424,893</td><td>424,893</td></tr>
<tr><td colspan="2">For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus</td><td>3,612</td><td>3,612</td></tr>
<tr><td>Variation in terms of options</td><td colspan="4">Not Applicable</td></tr>
<tr><td rowspan="6">Money realised by exercise of options</td><td colspan="2">Financial Year/Period</td><td colspan="2">In ₹ million</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2020</td><td colspan="2">0.38</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2021</td><td colspan="2">0.90</td></tr>
<tr><td colspan="2">Financial Year ended March 31, 2022</td><td colspan="2">6.26</td></tr>
<tr><td colspan="2">For the six-month period ended September 30, 2022</td><td colspan="2">0.59</td></tr>
<tr><td colspan="2">For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus</td><td colspan="2">0.68</td></tr>
<tr><td rowspan="6">Total no. of options in force</td><td colspan="2">Financial Year/Period</td><td>Total number of options in force</td><td>Resultant number of Equity Shares</td></tr>
<tr><td colspan="2">As on March 31 2020</td><td>279</td><td>35,99,100^</td></tr>
<tr><td colspan="2">As on March 31 2021</td><td>429</td><td>55,34,100^</td></tr>
<tr><td colspan="2">As on March 31 2022</td><td>589</td><td>7,598,100^</td></tr>
<tr><td colspan="2">As on September 30, 2022</td><td>8,051,974</td><td>8,051,974</td></tr>
<tr><td colspan="2">As on date of the Draft Red Herring Prospectus</td><td>8,216,305</td><td>8,216,305</td></tr>
<tr><td>Employee wise details of options granted to</td><td colspan="4"></td></tr>
<tr><td>(i) Key management personnel</td><td>Names of the KMP to whom options were granted</td><td>Number of options granted^</td><td>Number of options outstanding as of the date of the Draft Red Herring Prospectus</td><td>Resultant number of Equity Shares out of outstanding options^</td></tr>
<tr><td></td><td>Raman Preet Sohi</td><td>490,200</td><td>438,600</td><td>438,600</td></tr>
<tr><td></td><td>Jayant Chauhan</td><td>645,000</td><td>606,300</td><td>606,300</td></tr>
<tr><td></td><td>Zairus Master</td><td>735,300</td><td>735,300</td><td>735,300</td></tr>
<tr><td></td><td>Anuja Mishra</td><td>232,200</td><td>232,200</td><td>232,200</td></tr>
<tr><td></td><td>Dhanraj Dagar</td><td>4,955</td><td>4,955</td><td>4,955</td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Names of the employee to whom options were granted</td><td>Number of options granted^</td><td>Number of options outstanding as of the date of the Draft Red Herring Prospectus</td><td>Resultant number of Equity Shares out of outstanding options^</td></tr>
<tr><td rowspan="4">Financial Year ended March 31 2020</td><td>Ashutosh kr. Mamgain</td><td>232,200</td><td>206,400</td><td>206,400</td></tr>
<tr><td>Siddharth Sharma</td><td>116,100</td><td>90,300</td><td>90,300</td></tr>
<tr><td>Vidushi Goyal</td><td>116,100</td><td>103,200</td><td>103,200</td></tr>
<tr><td>Abhishek Raj Pandey</td><td>799,800</td><td>748,200</td><td>748,200</td></tr>
</table>

Particulars	Details			
	Sambit Dash	296,700	128,194	128,194
	Kunwarjeet Singh Grover	232,200	196,895	196,895
Financial Year ended March 31 2021	Ashish Mishra	193,500	154,800	154,800
	Raman Preet Sohi	490,200	438,600	438,600
	Pooja Agrawal	193,500	167,700	167,700
	Vipul Maheshwari	141,900	129,000	129,000
	Jayant Chauhan	645,000	606,300	606,300
Financial Year ended March 31 2022	Avinash Dhagat	322,500	322,500	322,500
	Zairus Master	735,300	735,300	735,300
	Karan Veer Singh Bajwa	129,000	129,000	129,000
	Ashish Mishra	129,000	129,000	129,000
	Anuja Mishra	232,200	232,200	232,200
For the six-month period ended September 30, 2022	Amit Kumar Yadav	51,600	51,600	51,600
	Ankur Chaudhary	77,400	77,400	77,400
	Pratik Mukherjee	133,381	133,381	133,381
	Ojaswa Sharma	133,588	133,588	133,588
For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	Vishal Gupta	60,279	60,279	60,279
	Prashant Sinha	60,279	60,279	60,279
	Mohamed Asif	60,279	60,279	60,279
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	**Names of the employee to whom options were granted**	**Number of options granted^**	**Number of options outstanding as of the date of the Draft Red Herring Prospectus**	**Resultant number of Equity Shares out of outstanding options^**
	Nil			
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share'	**Financial Year/Period**	**DEPS**		
	Financial Year ended March 31 2020	(31.63)		
	Financial Year ended March 31 2021	(98.35)		
	Financial Year ended March 31 2022	0.52		
	For the six-month period ended September 30, 2022	0.25		
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	Not determinable at this stage		
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals	Not Applicable. As per the valuation report, the fair value has been computed as per Black Scholes Model of valuation.			

Particulars	Details				
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	**Financial Year ended March 31 2020**	**Financial Year ended March 31 2021**	**Financial Year ended March 31 2022**	**For the six-month period ended September 30, 2022**	**For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus**
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	Not determinable at this stage
Expected volatility (%)	45.00%	45.00%	45.00%	45.00%	Not determinable at this stage
Risk-free interest rate (%)	7.44%- 6.54%	6.23% - 5.69%	6.21% - 6.72%	6.72% - 7.38%	Not determinable at this stage
Weighted average share price	186,314	241,595	1,924,762	291.86	Not determinable at this stage
Exercise price	54,512	25,889-54,512	25,889-263,565	20.43	Not determinable at this stage
Expected life of stock options	7.00	7.00	7.00	7.00	Not determinable at this stage
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB & SE Regulations in respect of options granted in the last three years and the six months period ended September 30, 2022	Not Applicable				
Intention of the Key Managerial Personnel and whole time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer.	All the Key Managerial Personnel may sell some Equity Shares allotted on the exercise of their options post-listing of the Equity Shares of our Company.				
Intention to sell Equity Shares arising out of ESOP 2018 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	As on the date of this certificate, no senior managerial personnel or employee having Equity Shares arising out of the ESOP Scheme 2018, amounting to more than 1% of the issued capital has expressed their intention to sell their Equity Shares allotted to them on exercise of options granted under an employee stock option scheme within three months after the date of listing of Equity Shares in the Offer. Hence not applicable.				

 # Excluding options forfeited/cancelled/lapsed

Represents number of employees of the Company to whom options were granted during the period April 1, 2019 till the date of certificate.

***^** Pursuant to the issuance and allotment of bonus shares on May 11, 2022, appropriate adjustments were made to the outstanding options granted to the employees of the Company under and in terms of the ESOP 2018, and such that the exercise price for all outstanding options as on relevant record date (vested and unvested options, including lapsed and forfeited options available for reissue) was proportionately adjusted and the number of options which are available for grant and those already granted but not exercised as on relevant record date were appropriately adjusted. Accordingly, number of options and shares are updated in the table to factor in impact of the aforesaid bonus issuance in the proportion of 1:12,899 i.e., 12,899 equity shares of ₹ 10 each for every one equity share of ₹ 10 each.*

b. ESOP 2021

Our Company, pursuant to the resolution passed by our Board on December 15, 2022 and the resolution passed by the Shareholders on December 17, 2022, amended and converted the erstwhile Honasa Consumer Stock Appreciation Rights Plan – 2021 into an employee stock option plan renamed as the 'Employee Stock Option Plan 2021'. The ESOP 2021 is in compliance with the SEBI SBEB & SE Regulations.

The details of the ESOP 2021, as certified by B.B. & Associates, Chartered Accountant dated December 28, 2022, through their certificate, are as follows:

Particulars	Details		
Options granted	**Financial Year/Period**	**Total number of options granted^**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2022	602,043	316,259*
	For the six-month period ended September 30, 2022	-	-
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	-	-
No. of employees to whom options were granted	Employees of the Company: 369		
Options outstanding as on date of the DRHP#	490,678		
Vesting Period (from date of grant)	2 Years (40% of the options granted shall vest at the end of 12 months from the date of grant of option and balance 60% shall vest at the end of 24 months from the date of grant of option.		
Exercise price of options	₹ 10.00		
Options vested (excluding options that have been exercised)	**Financial Year/Period**	**Total number of options granted^**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2022	-	-
	For the six-month period ended September 30, 2022	176,008	92,459*
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	190,766	100,211
Options exercised	**Financial Year/Period**	**Total number of options exercised^**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2022	-	-
	For the six-month period ended September 30, 2022	-	-
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	-	-
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of lapsed/forfeited/cancelled options)	**Financial Year/Period**	**Total number of options^**	**Resultant number of Equity Shares**
	Financial Year ended March 31, 2022	602,043	316,259*
	For the six-month period ended September 30, 2022	552,765	290,373*
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	490,678	257,758
Options forfeited/lapsed/cancelled	**Financial Year/Period**	**Total number of options exercised**	**Resultant number of Equity Shares^**

Particulars	Details		
	Financial Year ended March 31, 2022	-	-
	For the six-month period ended September 30, 2022	49,278	25,886*
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	62,087	32,615
Variation in terms of options	Not Applicable		
Money realized by exercise of options	**Financial Year/Period**	**In ₹ million**	
	Financial Year ended March 31, 2022	-	
	For the six-month period ended September 30, 2022	-	
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	-	
Total no. of options in force	**Financial Year/Period**	**Total number of options exercised**	**Resultant number of Equity Shares^**
	As on March 31 2022	602,043	316,259*
	As on September 30, 2022	552,765	290,373*
	As on date of the Draft Red Herring Prospectus	490,678	257,758
Employee wise details of options granted to			
(i) Key management personnel	Nil		
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the Financial year	Nil		
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil		
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share	**Financial Year/Period**	**DEPS**	
	Financial Year ended March 31 2022	0.52	
	For the six-month period ended September 30, 2022	0.25	
	For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus	Not determinable at this stage	

Particulars	Details		
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals	Not Applicable		
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	**Financial Year ended March 31 2022**	**For the six-month period ended September 30, 2022**	**For the period commencing from October 1, 2022 until the date of the Draft Red Herring Prospectus**
Dividend yield (%)	0.00%	0.00%	Not determinable at this stage
Expected volatility (%)	45.00%	45.00%	Not determinable at this stage
Risk-free interest rate (%)	4.37% - 4.98%	6.72% - 7.38%	Not determinable at this stage
Weighted average share price	165.12	291.86	Not determinable at this stage
Exercise price	0.00	0.00	Not determinable at this stage
Expected life of stock options	1.15	1.15	Not determinable at this stage
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB & SE Regulations in respect of options granted in the last three years	Not Applicable		
Intention of the Key Managerial Personnel and whole time Directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Offer.	Not Applicable		
Intention to sell Equity Shares arising out of ESOP 2021 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable.		

Excluding options forfeited/cancelled/lapsed

^ *Pursuant to the issuance and allotment of bonus shares on May 11, 2022, appropriate adjustments were made to the outstanding options granted to the employees of the Company under and in terms of the erstwhile Employees Stock Appreciation Rights Scheme 2021, which was subsequently amended and renamed as "Employee Stock Option Plan 2021", vide board resolution dated December 15, 2022 and shareholders resolution dated December 17, 2022. Pursuant to the amendment, each SAR instrument has been amended and converted into 12,900 stock options having a conversion ratio of 0.5253 shares per option upon exercise. Other than this modification, all other terms of the instrument granted under Employees Stock Appreciation Rights Scheme 2021 (now amended to be referred as ESOP 2021), including date of grant, vesting schedule, exercise price, remain the same. Accordingly, number of options and shares are updated in the table to factor in impact of the aforesaid bonus issuance in the proportion of 1:12899 i.e., 12,899 equity shares of ₹ 10 each for every one equity share of ₹ 10 each.*

* *The options granted under the erstwhile Employees Stock Appreciation Rights Scheme 2021 were cash or equity settled up to May 11, 2022. The erstwhile Employees Stock Appreciation Rights Scheme 2021 was amended by the board vide resolution dated May 11, 2022 and made equity settled w.e.f. May 11, 2022. The resultant number of equity shares have been calculated using current conversion ratio of 0.5253 shares per option as approved by Board and Shareholders vide resolution dated December 15, 2022 and December 17, 2022 respectively.*

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

Each Selling Shareholder shall be entitled to its respective portion of the proceeds of the Offer for Sale, net of their proportion of Offer-related expenses and the relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, see *"- Offer expenses"* on page 106.

Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

(in ₹ million)

Particulars	Estimated amount
Gross Proceeds of the Fresh Issue(1)	4,000
(Less) Expenses in relation to the Fresh Issue	[•]
Net Proceeds*	[•]

(1) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer
**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Requirement of funds and utilization of Net Proceeds

We are the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022 *(Source: RedSeer Report)* and have built a 'House of Brands' architecture with a portfolio of six brands in the BPC space.

We make our products available to our customers through omni-channel distribution networks across both online and offline touchpoints. As part of our offline channels, our EBOs and salons help strengthen equity for our brands in a retail environment by enabling a more personalized customer experience. Another key asset for us is our marketing model through which we activate consumer engagement initiatives across multiple media platforms and channels. With a combination of digital and traditional marketing, we aim to deliver a consistent narrative about our brands and their proposition across all touch points relevant for our consumers. For further details, see *"Our Business"* on page 139.

To grow our business, we intend to continue to invest in marketing, which will lead to higher brand recall and acquisition of new customers for existing brands as well as any new brands that we may launch in the future. We follow a consumer centric and data-led contextualized approach to marketing, and continuous two-way engagement with our consumers is an integral part of our business model. For further details, please see "*Our Business – Competitive Strengths – Data-driven Contextualized Marketing*" on page 146 of this Draft Red Herring Prospectus.

We propose to utilise the Net Proceeds towards funding the following objects:

1. Advertisement expenses towards enhancing the awareness and visibility of our brands;

2. Capital expenditure to be incurred by our Company for setting up new EBOs;

3. Investment in our Subsidiary, Bhabani Blunt Hairdressing Private Limited ("**BBlunt**") for setting up new salons;

4. General corporate purposes and unidentified inorganic acquisition.

   (collectively, the "**Objects**").

The Net Proceeds are proposed to be utilised in the following manner:

(in ₹ million)

Particulars	Amount*
Advertisement expenses towards enhancing the awareness and visibility of our brands	1,860
Capital expenditure to be incurred by our Company for setting up new EBOs	342.27
Investment in our Subsidiary, BBlunt for setting up new salons	275.17
General corporate purposes and unidentified inorganic acquisition	[•]#
Total*	**[•]**

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
#The amount to be utilised for general corporate purposes and unidentified inorganic acquisition and shall not exceed 35% of the Net Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause of the Memorandum of Association enables our Company and our Subsidiary, BBlunt to: (i) to undertake its existing business activities; and (ii) undertake the activities proposed to be funded from the Net Proceeds, for operating EBOs of the Company and salons of BBlunt, respectively.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ million)

Particulars	Amount proposed to be financed from Net Proceeds	Estimated utilisation of Net Proceeds		
		Financial Year 2024	Financial Year 2025	Financial Year 2026
Advertisement expenses towards enhancing the awareness and visibility of our brands	1,860[(1)]	570	620	670
Capital expenditure to be incurred by our Company for setting up new EBOs	342.27	108.57	114	119.70
Investment in our Subsidiary, BBlunt for setting up new salons	275.17	91.88	96.47	86.82
General corporate purposes and unidentified inorganic acquisitions	[●][(2)(3)]	[●][(2)(3)]	[●][(2)(3)]	[●][(2)(3)]
Total	**[●]**	**[●]**	**[●]**	**[●]**

(1) Amount spent in excess of ₹1,860 million shall be utilised from the internal accruals of our Company

(2) The amount utilised for general corporate purposes and unidentified inorganic acquisitions shall not exceed 35% of the Net Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds

(3) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. In the event that estimated utilization out of the Net Proceeds in a Fiscal Year is not completely met, the same shall be utilized in the next Fiscal Year. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds*" on page 58.

Details of the Objects

1. **Advertisement expenses towards enhancing the awareness and visibility of our brands**

Since launching Mamaearth in 2016, we have added five new brands to our portfolio, namely The Derma Co., Aqualogica, Ayuga, Bblunt and Dr. Sheth's, and have built a 'House of Brands' architecture. As of September 30, 2022, our portfolio of brands with differentiated value propositions includes products in the baby care, face care, body care, hair care, color cosmetics and fragrances segments. For further details, see "*Our Business*" on page 139.

Over the years, as our business has grown and our advertisement strategy to widen our customer base has evolved to focus on deploying a holistic marketing strategy across digital and traditional platforms and actively leverage our differentiated content, community, and commerce flywheels to improve our reach and drive effective engagement to acquire new consumers. With the aim of customer acquisition and retention, we have historically expended significantly towards marketing and promotions to enhance the visibility of all our brands. Our advertisement expenses were ₹458.43 million, ₹1,779.38 million, ₹3,914.74 million and ₹ 2,719.90 million during Financial Years 2020, 2021 and 2022 and the six-month period ended September 30, 2022, respectively, and constituted 41.76%, 38.68%, 41.49% and 37.63% of our total revenue from operations for such periods/ years, respectively, on a consolidated basis.

With our products gaining steady traction and our distribution network now spanning across India, we intend to increase our marketing and advertising spends to further reinforce and create higher visibility for our existing brands and BPC product portfolio, as well as for brands that we may incubate or acquire in the future. For further details see, *"Our Business"* on page 139. We intend to invest in, among other things, advertisements, optimisation of website searches, media campaigns, trade shows, loyalty programs and social media marketing, in-store beauty advisors, etc., requirements of which will be analysed by our management from time to time.

Historically, we have incurred expenses towards advertisements for (i) television campaigns; (ii) digital spends; (iii) influencer spends; and (iv) visibility spends. We typically engage independent, third party advertisement agencies such as TLG India Private Limited and Korra Worldwide Advertising Private Limited on a non-exclusive basis to provide media planning, buying, implementation and other allied services for promotion, advertisement and management of our products and brands.

Deployment of advertising campaigns as well as brand building initiatives in any particular media segment or through any particular channel or platform would be contingent on various factors, such as the nature of the advertising campaign, ratings or expected viewership of our advertisements for different geographies, time slots or user segments, and our business and marketing plans overall. Further, maintaining and improving upon our advertisement strategies involves expenditures which may not be proportionate to the revenue generated and customers acquired.

Proposed utilisation of Net Proceeds

We intend to utilize ₹ 1,860 million from the Net Proceeds towards marketing initiatives during Financial Years 2024, 2025 and 2026, including through offline and online media service agreements with entities that we engage in the ordinary course as well as any new vendors or agencies, as may be deemed appropriate.

The breakup of the advertisement expenses for which Net Proceeds are proposed to be utilised for Financial Years 2024, 2025 and 2026 is provided below:

Particulars	Includes *inter alia* expenses towards	Financial Year 2024	Financial Year 2025	Financial Year 2026
TV campaign spends	Production of advertisements and buying of advertisement spots	400	430	455
Digital spends	Promotion of the brands on digital platforms	100	111	120
Influencer spends	Partnering with key opinion leaders	50	55	60
Visibility spends	Increase in the visibility of our brand on e-commerce platforms and off-line distribution channels	20	24	35
Total		**570**	**620**	**670**

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Draft Red Herring Prospectus.

Our deployment of advertising campaigns is based on management estimates, current circumstances of our business and prevailing market conditions and contingent on various factors. Accordingly, we may choose to spend more for certain desirable medium, specific channels or segments and less advertising time in other medium, channels or segments, in variance to that mentioned in the media services agreement(s) and in the table above, subject to the overall deployment of ₹ 1,860 million from the Net Proceeds for this purpose. Any additional expenses which may be incurred by our Company towards advertisement expenses would be funded through internal accruals of the Company or means other than the Net Proceeds.

2. **Capital expenditure to be incurred by our Company for setting up new EBOs**

The first EBO of our Company was launched on October 10, 2021. As on September 30, 2022, we had 35 EBOs across 16 districts in India exclusively retailing products for our Mamaearth brand.

We typically open our EBOs across high street and mall formats.

We believe there is an opportunity for further growth in the markets in which we operate as well as in new markets, and in order to build on our track record of expansion, we plan to strategically increase our presence and market share in the BPC sector by setting-up EBOs in India. We intend to open new Mamaearth EBOs across a mix of mall stores and high-street outlets in India. We intend to leverage this channel to curate a richer brand experience for our consumers and deepen engagement with them in the offline retail environment. We also intend to use our EBO channel to further develop strategic categories such as colour cosmetics that require a more personalized service and experience to facilitate purchase conversion. For further details, please see "*Our Business*" on page 139.

Our Company incurred capital expenditure of ₹5.22 million during Financial Year 2022 and ₹14.09 million during the six-month period ended September 30, 2022, comprising 0.06% and 0.19% of our revenue of operations for the respective periods, respectively, towards setting up of such EBOs. Our Company operates our EBOs on a leasehold basis. Our Company further paid towards security deposits for our EBOs of ₹ 4.76 million during Financial Year 2022 and ₹20.70 million during the six months period ended September 30, 2022, comprising 0.05% and 0.29% of our revenue of operations for the respective periods.

Proposed utilisation of Net Proceeds

Our Company proposes to utilise ₹342.27 million from the Net Proceeds during Financial Years 2024, 2025 and 2026 towards expansion of EBOs in India across a mix of mall stores and high-street outlets in India. Our Company proposes to set up 132 new EBOs across India, as set out below:

Period	Opening targets
Financial Year 2024	44
Financial Year 2025	44
Financial Year 2026	44
Total	**132**

We have not identified specific locations for such new EBOs as on the date of this Draft Red Herring Prospectus. These will be decided by our Company after conducting a detailed analysis of the demographics, foot falls, lease rentals and other business and market considerations. The above estimate of number of EBOs to be set up is an internal management estimate and based on current business needs. The total number of EBOs that are set up may vary from the above estimates, subject to compliance with applicable law, in light of *inter alia* changes in costs, business strategy or external circumstances which may not be in our control.

Estimated cost

The costs for setting-up new EBOs would primarily comprise of the following establishment costs:

(a) Capital expenditure; and
(b) Security deposits.

Out of the total estimated expense of ₹342.27 million towards the opening of the EBOs, our Company proposes to deploy ₹196.62 million towards capital expenditure, and the remaining amount of ₹145.65 million towards payment of security deposits.

(a) Capital expenditure

The cost of setting up of new EBOs typically comprises of capitalised costs as are as follows: (a) heating ventilation and air conditioning; (b) distribution boards, fire alarm system; (c) fire panels; (d) fixtures and installation; (e) close circuit televisions, information technology assets; (f) other civil services; (g) signage and logos; (h) wall panelling/ wooden work.

The sizes and layout of our EBOs will vary across regions and depend on various factors such as type / format of the EBOs, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions, etc. To arrive at the estimated costs for setting up an EBO:

(i) We have considered an average EBO size of 350 square feet ("**Average Store Size**"), being the average of the typical sizes of the various categories of mall stores and high-street outlets in India; and

(ii) we have taken into account (a) sample quotations on turnkey basis received from some of our empanelled contractors or from vendors from whom we have purchased similar items, with a sample size of one EBO assuming set-up in Financial Year 2024; and (b) our management and internal estimates for specifications and item requirements, based on our prior experience of setting-up similar EBOs.

Accordingly, the estimated capital expenditure for setting-up of one Average Store Size EBO in Financial Year 2024 is as follows:

(in ₹ million)

Particulars		**Total estimated cost for setting up one Average Store Size EBO**
Components[(1)(3)]	**Components include**	
Heating ventilation and air conditioning	Cassette air conditioners, air handling units	105,000
Distribution boards, fire alarm system	Flow and pressure gauge, battery housing	105,000
Fire panels	Online UPS, fans	52,300
Fixtures and installation	Sitting chairs, colour care units, metal racks	262,500
Close circuit televisions, IT assets	Televisions, cables, speakers	84,000
Other civil services	Tiling, paint etc.	525,000
Signage and logos	Rolling shutters, acrylics letters	210,000
Wall panelling/ wooden work	Ply and gypsum retardants	73,700

Particulars		Total estimated cost for setting up one Average Store Size EBO
Components(1)(3)	**Components include**	
Total		**1,417,500(2)**
Total (in ₹ million)		**1.42**

(1) Our Company will procure one unit for each of the aforementioned components
(2) Exclusive of GST. The GST amount shall be paid and utilised from the internal accruals of the Company
(3) Based on the quotation from Decrr Interio Private Limited dated November 26, 2022. The expected date of supply of the aforementioned components to the Company is to be completed before March 15, 2024

The quotations for setting up of an EBO of Average Store Size has been procured from Decrr Interio Private Limited dated November 26, 2022, IM Retail dated December 6, 2022 and Tvastra dated November 29, 2022 and are valid till November 30, 2023. We have not entered into any definitive agreements with any or all of these contractors / vendors and there can be no assurance that the above-mentioned contractors / vendors would be eventually engaged to supply the above-mentioned materials. Our Promoters, Promoter Group, Directors or KMPs have no interest in the proposed procurements, as stated above.

(b) Security deposits

We do not own the underlying properties for our existing EBOs and the premises for the proposed new EBOs are expected to be taken on leasehold basis. The security deposit is ₹ 3,000 (per EBO per square feet), computed on the basis of average security deposit paid by our Company in the past and as well as current market conditions. This would amount to a security deposit of ₹ 1.05 million per EBO of Average Store Size, aggregating to ₹ 145.65 million for the 132 new EBOs. There may be escalations on security deposits, for Financial Year 2024, 2025 and 2026, depending upon market conditions.

Our Company has estimated a total expenditure of ₹ 342.27 million for the Average Store Size EBOs, as detailed below:

Particulars	Financial Year 2024	Financial Year 2025	Financial Year 2026
No. of Average Store Size EBOs	44	44	44
Total capital expenditure (in ₹ million) **(A)**	62.37	65.49	68.76
Total security deposits (in ₹ million) **(B)**	46.20	48.51	50.94
Total (A+B)	**108.57**	**114**	**119.70**

3. **Investment in our Subsidiary, BBlunt for setting up new salons**

Our acquisition of BBlunt in March 2022 has enabled us to access the professional salon channel. By delivering a personalized experience at these salons with recommendations from trained stylists, we have been able to build trust amongst consumers which has strengthened brand equity for our products. This channel is expected to provide us with a ready base of consumers to generate trials and will provide the ability to acquire new consumers, not only for BBlunt but also for other brands in our portfolio. For further details, see *"Our Business"* and *"History and Certain Corporate Matters – Our Subsidiaries– Direct subsidiaries"* on pages 139 and 174, respectively.

As of September 30, 2022, we had nine salons across two districts in India. We believe there is an opportunity for further growth in the markets in which BBlunt operates as well as in new markets, and in order to build on our track record of expansion, we plan to strategically increase our presence and market share by setting up new salons in India.

Proposed utilisation of Net Proceeds

We propose to utilize ₹ 275.17 million out of the Net Proceeds towards investment in BBlunt for the purpose of setting-up 20 new Salons of BBlunt, to be undertaken over the course of Financial Years 2024, 2025 and 2026, as set out below:

Period	Opening targets
Financial Year 2024	7
Financial Year 2025	7
Financial Year 2026	6
Total	**20**

Locations for the new salons to be set up have not been identified as on the date of this Draft Red Herring Prospectus. These will be decided by BBlunt after conducting a detailed analysis of the demographics, foot falls, lease rentals and other business and market considerations. The above estimate of number of salons to be set up is an internal management estimate and based on current business needs. The total number of salons that are set up may vary from the above estimates, subject to compliance with applicable law, in light of *inter alia* changes in costs, business strategy or external circumstances which may not be in our control.

We will invest in BBlunt in Fiscal 2024, 2025 and 2026, in either in the form of debt or equity, which will be determined by our Company at the time of making such investment and has not been finalized as on the date of this Draft Red Herring Prospectus. BBlunt does not have any stated dividend policy and our Company cannot be assured of any dividends from such investment. Our Company will remain interested in BBlunt to the extent of our shareholding, or as a lender if funds are deployed in the form of debt. We believe that investment in BBlunt in furtherance of the above-stated object will enable us to earn increasing revenues on a consolidated basis, progressively scale our business, compete effectively, increase our visibility and expand our existing consumer base.

Estimated cost

The costs for setting-up new salons would primarily comprise of the following establishment costs:

(a) Capital expenditure; and

(b) Security deposits.

Out of the total estimated expense of ₹275.17 million towards the opening of the new salons, BBlunt proposes to deploy ₹247.65 million towards capital expenditure, and the remaining amount of ₹27.52 million towards payment of security deposits.

(a) Capital expenditure

The details of estimated capital expenditure for setting up of new salons are as follows: (a) civil and interior; (b) heating, ventilation and air conditioning; (c) plumbing; (d) electricals; (e) furnishing and equipment; and (f) Pantry.

The sizes and layout of our salons vary across regions and are dependent on various factors such as type / format of the salon, availability of suitable locations, addressable market, lease rentals, competition within a given region or across regions, etc. To arrive at the estimated cost for setting up a salon:

(i) We have considered an average salon size of 2,500 square feet ("**Average Salon Size**") for arriving at the estimated costs for setting-up a new salon; and

(ii) We have taken into account (a) sample quotations on a turnkey basis received from certain contractors or from vendors from whom we have purchased similar items, with a sample size of one salon assuming set up in Financial Year 2024; and (b) our management and internal estimates for specifications and item requirements, based on our prior experience of setting-up similar salons.

Accordingly, the estimated capital expenditure for setting-up of one Average Salon Size salon in Financial Year 2024 is as follows:

(in ₹ million)

Particulars		Estimated cost for setting up one Average Salon Size
Components(1)(2)(3)	**Components include**	
Civil and interior	Italian marble floorings, mirrors	5,145,000
Heating, ventilation and air conditioning	Cassette air conditioner, air handling unit	1,260,000
Plumbing	Internal water drainage, sanitary fixtures	682,500
Electricals	Lighting fixtures (led roll, dome), panel lights	1,785,000
Furnishing and equipment	Sofa, wooden storage	1,470,000
Pantry/ back office	Close circuit televisions, biometrics, glass work	1,470,000
Total		**11,812,500(2)**
Total (in ₹ million)		**11.81**

(1) BBlunt will procure one unit for each of the aforementioned components
(2) Exclusive of GST. The GST amount shall be paid and utilised from the internal accruals of BBlunt
(3) Based on the quotation from Decrr Interio Private Limited dated November 26, 2022. The expected date of supply of the aforementioned components to BBlunt is to be completed before March 15, 2024

The quotations for setting up of a new salon of Average Salon Size has been procured from Decrr Interio Private Limited dated November 26, 2022, IM Retail dated December 6, 2022 and Tvastra dated December 6, 2022 and are valid till November 30, 2023. We may not have entered into any definitive agreements with any or all of these contractors / vendors and there can be no assurance that the above-mentioned contractors / vendors would be eventually engaged to supply the above-mentioned materials. Our Promoters, Promoter Group, Directors or KMPs have no interest in the proposed procurements, as stated above.

(b) Security deposits

We do not own the underlying properties for our existing salons and the premises for the proposed new salons are expected to be taken on leasehold basis. The security deposit is ₹ 525 (per salon per square feet), computed on the basis of average security deposit paid by our Company in the past and as well as current market conditions. This would amount to a security deposit of ₹ 1.31 million per salon of Average Salon Size, aggregating to ₹ 27.52 million for the 20 new salons. There may be escalations on security deposits, for Financial Year 2024, 2025 and 2026, depending upon market conditions.

BBlunt has estimated a total capital expenditure of ₹ 275.17 million as detailed in the table below for the Average Salon Size salons:

	Financial Year 2024	**Financial Year 2025**	**Financial Year 2026**
No. of Average Salon Size salons	7	7	6
Total capital expenditure (in ₹ million) **(A)**	82.69	86.82	78.14
Total security deposit (in ₹ million) **(B)**	9.19	9.65	8.68
Total (A+B)	**91.88**	**96.47**	**86.82**

4. **General corporate purposes and unidentified inorganic acquisitions**

We propose to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes and unidentified inorganic acquisitions subject to such utilisation not exceeding 35% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. Further, the amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds.

Strategic acquisitions and investments towards inorganic growth

We believe that we have benefited significantly from the acquisitions undertaken by us in the past. The table below summarizes the key acquisitions that we have undertaken in the past from our internal accruals:

Name of entity	**Nature of acquisition**	**Financial Year**	**Country of incorporation**	**Acquisition rationale**
Just4Kids	Acquisition of "Momspresso"	2022	India	To expand our content and influencer management capabilities and to strengthen our content creation capabilities by enabling us access to a large and ready library of relevant content of Momspresso
BBlunt	Acquisition of BBlunt salons along with the BBlunt product business	2022	India	To expand our portfolio of brands and product offerings in the professional salon channels
Fusion	Acquisition of "Dr. Sheth's" brand	2022	India	To further expand our portfolio of brands and product offerings pursuant to the acquisition of Dr. Sheth's brand that offers specialized skincare solutions crafted with a combination of natural and active ingredients

For further details on the acquisitions mentioned above, see *"History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 173.

Rationale for acquisitions in future

Some of the selection criteria that we may consider when evaluating strategic acquisitions include:

- expertise in the domain we operate in or wish to expand into;
- strategic fit to our existing business or serving connected extensions;
- new customers/users that we can serve with our existing capabilities;
- newer technology infrastructure, service/product offerings, and advanced personnel including ones which plug-in gaps in our existing ecosystem/value chain;
- enhance our geographical reach;
- strengthen market share in existing markets; and
- strong management team.

Our acquisition strategy is primarily driven by our Board and the typical framework and process followed by us for acquisitions involves identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we enter into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required. As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives for the object set out above.

For further details, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Continued innovation and development of new product categories, including through strategic acquisitions*" on pages 139 and 293, respectively.

We will from time to time undertake potential acquisitions and/ or investments in line with our business objectives and overall expansion strategies, with a view to augment our growth by acquiring companies with strong supply/ distribution capabilities, expand our product offerings and portfolios, enhance our geographical presence and strengthen our existing platforms through complementary technology and advancements for better consumer experience, such as content creation and influencer management and data processing. Accordingly, we believe that acquisitions and investments made by our Company in furtherance of the factors set out above, will fit in our strategic business objectives and growth strategies.

We intend to utilise the above-stated portion of the Net Proceeds towards our strategic acquisitions and/or investments which may be undertaken over the course of next three Financial Years. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

The amount of Net Proceeds to be used for each individual acquisition and/ or investments will be based on our management's decision and may not be the total value or cost of any such investments, but is expected to provide us with sufficient financial leverage to pursue such investments. The actual deployment of funds will also depend on a number of factors, including the timing, nature, size and number of acquisitions undertaken in a particular period, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity, debt or any other instrument or combination thereof, or whether these will be in the nature of asset or technology acquisitions or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as share-based transactions, including share swaps, or a combination thereof, or as done previously, be undertaken as cash transactions. At this stage, our Company cannot identify any acquisition targets and whether the form of investment will be cash, equity, debt or any other instrument or combinations thereof.

General corporate purposes

The general corporate purposes for which our Company proposes to utilise Net Proceeds include acquisition of fixed assets, repayment of debt, new brand launches, short term working capital requirements, information technology infrastructure, improvement in supply chain, distribution and fulfilment network, rental and administrative expenses, meeting exigencies and expenses incurred in the ordinary course of business, as may be applicable. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Means of Finance

The Objects are proposed to be funded from the Net Proceeds and by utilizing our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the Net Proceeds to be raised from the Fresh Issue and existing identifiable internal accruals, as prescribed under the SEBI ICDR Regulations.

Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, the balance amount will be used for general corporate purposes and unidentified inorganic acquisitions, to the extent that the total amount to be utilised towards general corporate purposes and unidentified inorganic acquisitions will not exceed 35% of the Net Proceeds in accordance with the SEBI ICDR Regulations. Further, the amount to be utilised for general corporate purposes alone shall not exceed 25% of the Net Proceeds. In case of any shortfall in the requisite funds raised from the Net Proceeds or utilized from the internal accruals of our Company or any increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including seeking additional debt from lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. We may vary the Objects in the manner provided in "*Objects of the Offer – Variation in Objects*" on page 108.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [•] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than for (i) listing fees, expenses for corporate advertisements, i.e. any corporate advertisements consistent with past practices of our Company and not including expenses relating to marketing and advertisements undertaken in connection with the Offer, branding and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which shall be borne solely by our Company, and (ii) stamp duty payable on transfer of the Offered Shares pursuant to the Offer for Sale and fees and expenses for the legal counsel to the Selling Shareholders which shall be borne solely by the respective Selling Shareholders, our Company and each of the Selling Shareholders agree to share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the Book Running Lead Managers, legal counsel and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses and branding of our Company undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, respectively, in accordance with applicable law including section 28(3) of the Companies Act. Our Company agrees to advance the cost and expenses of the Offer in the first instance and our Company will be reimbursed by each of the Selling Shareholders, severally and not jointly, for its respective proportion of such costs and expenses, in accordance with the applicable law, upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, except for such costs and expenses in relation to the Offer which are paid for directly by the Selling Shareholders.

The break-up for the estimated Offer expenses are as follows:

Activity	Estimated expenses(1) (₹ in million)	As a % of total estimated Offer related expenses(1)	As a % of Offer size(1)
BRLM's fees (including brokerage and selling commission)	[•]	[•]	[•]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs.(1)(2)(3)			
Fees payable to Registrar to the Offer	[•]	[•]	[•]
Fees payable to the other parties to the Offer^	[•]	[•]	[•]
Others	[•]	[•]	[•]
• Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[•]	[•]	[•]
• Printing and stationery	[•]	[•]	[•]
• Advertising and marketing expenses	[•]	[•]	[•]
• Miscellaneous	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

^Other parties to the Offer include Statutory Auditors, Independent Chartered Accountant, B.B. & Associates, Chartered Accountants, Industry agencies, namely, Redseer, Neilsen IQ (India) Private Limited, GoldVIP Technology Solutions Private Limited etc. for the services rendered by them for the Offer

(1) Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid book of BSE or NSE.

No processing fees shall be payable by the Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs of ₹10 per valid application (plus applicable taxes) for processing the Bid cum Application Form for Non-Institutional Bidders which are procured by the members of the Syndicate/sub- Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking.

(3) Brokerage, selling commission and processing/uploading charges on the portion for RIBs (using the UPI mechanism), Eligible Employee Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

Portion for RIBs	*[●]% of the Amount Allotted (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs and Eligible Employee Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs, Eligible Employee Bidders and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ [●]per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●]per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●]per valid application (plus applicable taxes)*

Uploading charges/ Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs / Registered Brokers	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] for applications made by UPI Bidders using the UPI mechanism*. The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

** Based on valid applications*
All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring Agency

In terms of the SEBI ICDR Regulations, our Company has appointed [●] as the Monitoring Agency for monitoring the utilisation of the Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and submit the report required under the SEBI ICDR Regulations.

Our Company will disclose, and continue to disclose, the utilisation of the Net Proceeds, including interim use, under a separate head in our balance sheet for such financial years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Fresh Issue proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable financial years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee will make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (a) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (b) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects. This information will also be published in newspapers, one in English and one in Hindi, the regional language of the jurisdiction where our Registered Office is located, simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with the Companies Act, our Company shall not vary the Objects without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the regional language of the jurisdiction where our Registered Office is located. In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel or our Group Companies. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Risk Factors*", "Summary of *Restated Ind AS Summary Statements*", "*Our Business*", "*Restated Ind AS Summary Statements*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 35, 66, 139, 201, and 290, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Brand building capabilities and repeatable playbooks;
- Customer centric product innovation;
- Digital-first omnichannel distribution;
- Data driven contextualised marketing;
- Ability to drive growth and profitability in a capital efficient manner;
- Founder led company with a strong professional management.

For details, see "*Our Business – Our Competitive Strengths*" on page 143.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Ind AS Summary Statements. For details, see "*Restated Ind AS Summary Statements*" and "*Other Financial Information*" beginning on pages 201 and 283, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2022	0.53	0.52	3
March 31, 2021	(98.35)	(98.35)	2
March 31, 2020	(31.63)	(31.63)	1
Weighted Average	**(37.79)**	**(37.80)**	
Six months period ended September 30, 2022*	0.25	0.25	

**Not annualized*

Notes:

1. *Earnings per share calculations are in accordance with Ind AS - 33 (Earnings per Share) prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
   The ratios have been computed as below
   - *Basic earnings per share (Rs.) = Restated Net Profit/(loss) available to equity shareholders/Weighted average number of Equity Shares outstanding during the year*
   - *Diluted earnings per share (Rs.) = Restated Net Profit/(loss) available to equity shareholders/Weighted average number of diluted Equity Shares outstanding during the year*
2. *Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor.*
3. *The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
4. *Basic EPS and Diluted EPS for six months ended September 30, 2022 and fiscal period ended March 31, 2022 are further adjusted for the changes in equity share capital pursuant to proposed conversion of outstanding NCCCPS into equity shares in the ratio of 12,900:1 and proposed issuance of equity shares against the outstanding options granted to the employees under the ESOP scheme 2018 and ESOP scheme 2021.*
5. *The figures disclosed above are derived from the Restated Ind AS Summary Statements of the Company.*

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2022	**[●]***	**[●]***
Based on diluted EPS for year ended March 31, 2022	**[●]***	**[●]***

**to be computed after finalization of price band*

C. Industry Peer Group P/E ratio

There are no listed companies in India and globally that are of comparable size from the same industry as that of our Company. See " – *Comparison with Listed Industry Peers*" on page 113.

D. Return on Net worth ("RoNW")

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2022	2.23%	3
March 31, 2021	N. A.^	2
March 31, 2020	N. A.^	1
Weighted Average	**1.11%**	-
Six months period ended September 30, 2022*	1.06%	

* *Not annualized*

^ *Since net worth is negative for fiscal year ended March 31, 2021 and March 31, 2020, RoNW is not derived here*

Notes:

1. *Return on Net Worth (%) = Restated net profit/(loss) after tax attributable to equity holders of the Group / Restated net worth for equity shareholders of the Group*
2. *Net worth is computed as the sum of the aggregate of paid up equity share capital, instruments entirely in the nature of equity and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding foreign currency translation reserve. Return on Net Worth is calculated as Restated net profit/(loss) after tax divided by Restated net worth for equity shareholders at the end of the year. Net Worth is a non-GAAP measure in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*
3. *The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.*
4. *The figures disclosed above are derived from the Restated Ind AS Summary Statements of the Company.*

E. Net Asset Value ("NAV") per Share

Particulars	Amount (₹)
As on September 30, 2022	23.19
As on March 31, 2022	23.42
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]*

**to be computed after finalization of price band*

Notes:

1. *Net Asset Value per share represents net worth at the end of the year/period divided by the weighted average number of shares outstanding during the period/year post-conversion of NCCCPS and the proposed issuance of equity shares against the outstanding options under ESOP schemes.*
2. *Net Asset Value per share is further adjusted for the changes in equity share capital pursuant to proposed conversion of outstanding NCCCPS into equity shares in the ratio of 12,900:1 and proposed issuance of equity shares against the outstanding options granted to the employees under the ESOP scheme 2018 and ESOP scheme 2021.* .
3. *The figures disclosed above are derived from the Restated Ind AS Summary Statements of the Company.*

F. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. Our Audit Committee through its resolution dated December 23, 2022 approved the list of KPIs for disclosure in the Draft Red Herring Prospectus. Further, the Audit Committee has confirmed that the KPIs pertaining to the Company that have been disclosed to investors for raising funds at any point of time during the three years' period prior to the date of filing of this Draft Red Herring Prospectus and which are required to be disclosed in the *"Basis for Offer Price"* section, have been verified and audited by B.B. & Associates, Chartered Accountants in accordance with SEBI ICDR Regulations and have been disclosed in this section. Further, the KPIs herein have been certified by B.B. & Associates, Chartered Accountants pursuant to certificate dated December 23, 2022.

A list of our KPIs for the six months' period ended September 30, 2022 and Financial Years 2022, 2021 and 2020 is set out below:

Metric	Unit	Six months period ended September 30, 2022	Financial Year ended 2022	Financial Year ended 2021	Financial Year ended 2020
Number of brands	Number	6	5	2	2
Revenue from operations	(₹ in million)	7,227.35	9,434.65	4,599.90	1,097.84
Revenue from online channels	(₹ in million)	4,291.15	6,595.34	3,742.93	998.43
Revenue from offline channels	(₹ in million)	2,557.62	2,723.38	856.97	99.41
Revenue from services	(₹ in million)	378.58	115.93	—	—
Revenue Growth	%	—	105.11%	319.00%	—
Gross Profit (1)	(₹ in million)	5,100.18	6,600.26	3,272.84	730.07
Gross Profit Margin (2)	%	70.57%	69.96%	71.15%	66.50%
EBITDA (3)	(₹ in million)	139.02	114.59	(13,340.33)	(4,317.14)
EBITDA margin (4)	%	1.92%	1.21%	(290.01%)	(393.24%)
Adjusted EBITDA (5)	(₹ in million)	272.11	302.49	313.64	(71.92)
Adjusted EBITDA Margin (6)	%	3.77%	3.21%	6.82%	(6.55%)
Working capital days of sale (7)	Days	5	(14)	(2)	11
Invested Capital in Business (8)	(₹ in million)	91.24	(812.05)	(16.51)	48.42
Contribution of sales from new SKUs to increase in revenue (9)	%	44.12%	42.17%	39.75%	—
Volume growth	%	61.81%	143.30%	298.42%	—
Restated Profit/(loss) before tax	(₹ in million)	91.28	224.39	(13,246.09)	(4,280.26)
Restated Profit/(loss) after tax	(₹ in million)	36.67	144.43	(13,322.15)	(4,280.26)

Notes:

(1) *Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods.*

(2) *Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations.*

(3) *EBITDA is calculated as restated profit / loss for the year plus tax expense, finance cost, depreciation and amortization expenses less other income.*

(4) *EBITDA Margin is the percentage of EBITDA divided by revenue from operations.*

(5) *Adjusted EBITDA is calculated as restated profit/ loss for the period/year plus tax expense, finance cost, depreciation and amortization expenses, change in fair valuation of preference shares, share based payment expenses (equity settled) and share based payment expenses (cash settled), less other income.*

(6) *Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.*

(7) *Working Capital Days of Sale is calculated as Net Working Capital divided by revenue calculated on a daily basis.*

(8) *Invested capital in business is calculated as total business assets less total business liabilities*
- *Total business assets represent sum of total assets of the company other than Cash and cash equivalents, Bank balances other than cash and cash equivalents, Investments, Fixed deposit with maturity of more than 12 months, and assets acquired through acquisition namely Goodwill, Brand, Design and Formulation, Franchise agreements, Non-compete agreement, and Trademarks.*
- *Total business liabilities represent total liabilities other than liability recognised on account of Non- Cumulative Compulsorily Convertible Preference Shares and bank overdrafts.*

(9) *Contribution of sales from new SKUs to increase in revenue refers to contribution of sales from New SKUs to absolute increase in revenue from operations during the period, over that of corresponding period of preceding financial year*

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 139 and 290, respectively.

G. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business. See *"Risk Factors – Internal Risks – We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation"* on page 52.

Number of brands

We have built a 'House of Brands' architecture and we believe that tracking our brands helps us track our capability of producing new brand propositions.

Revenue from Operations

We believe that tracking our revenue from operations enables us to analyze the overall financial and business performance of our Company.

Revenue from Online Channels

We believe that tracking our revenue from online channels enables us to track the level of business and corresponding revenue generated from online channels.

Revenue from Offline Channels

We believe that tracking our revenue from offline channels enables us to track the level of business and corresponding revenue generated from offline channels.

Revenue from Services

We believe that tracking our revenue from services assists in tracking revenue generated from our haircare services, content & influencer marketing and other services.

Revenue Growth

We believe that tracking revenue growth enables us to track our relative business growth year-on-year, and helps in business planning and financial management.

Gross Profit

We believe that tracking gross profit enables us to track our margin profile and price management across channels.

Gross Profit Margin

We believe that tracking gross profit margin enables us to track the gross margin profile year-on-year and provides input for our margin profile and price management across channels.

EBITDA

We believe that tracking EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance, and allowing comparison of our recurring core business operating results over multiple periods. We also believe that EBITDA provides useful information about our operating results, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to key metrics we use for financial and operational decision-making.

EBITDA Margin %

We believe that tracking EBITDA margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement.

Adjusted EBITDA

We believe that tracking Adjusted EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance by adjusting EBITDA for change in fair valuation of preferences shares, shared based payments and employee benefits related expenses.

Adjusted EBITDA margin

We believe that tracking our Adjusted EBITDA margin helps us evaluate our Company's operational and financial performance.

Working capital days of sale

We believe that tracking the working capital days of sale assists in tracking our investment in working capital across inventories, trade receivables, trade payables and other current assets and liabilities.

Invested Capital

We believe that tracking invested capital helps us track capital consumed by our business operations since inception.

Contribution of NPD sale to Revenue Growth

We believe that contribution of NPD sale to revenue growth helps in tracking performance of our New Product launches.

Volume growth

We believe that tracking the volume growth helps us to track the year-on-year performance in terms of the number of units sold during the year relative to the previous period.

Restated Profit/(loss) before tax

We believe that tracking Restated Profit/(loss) before tax helps us track the overall profitability of our business before tax.

Restated Profit/(loss) after tax

We believe that tracking Restated Profit/(loss) after tax helps us track the overall profitability of our business after tax.

H. Comparison with Listed Industry Peers

There are no listed companies in India and globally that are of comparable size from the same industry as that of our Company. Accordingly, we have not provided an industry comparison in relation to our Company.

However, there are listed companies in India that are of larger size with longer operating histories and varied business models and offerings, that operate in the fast moving consumer goods space, including the BPC segment. We consider listed companies such as the following as our competitors in respect of their BPC products segments:

1. Hindustan Unilever Limited
2. Colgate Palmolive India Limited
3. Procter & Gamble Health & Hygiene Limited
4. Dabur India Limited
5. Marico Limited
6. Godrej Consumer Products Limited
7. Emami Limited
8. Bajaj Consumer Care Limited
9. Gillette India Limited

Weighted average cost of acquisition ("WACA"), floor price and cap price

1. **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

   The Company has not issued any Equity Shares or NCCCPS, excluding shares issued under the ESOP Schemes and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

2. **Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to**

nominate directors during the 18 months preceding the date of filing of the DRHP/ RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale/ acquisitions of Equity Shares or NCCCPS, where the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate Director(s) on our Board, namely SCI (acting together), are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

3. **Since there are no such transaction to report to under 1 and 2, the following are the details basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:**

Date of allotment	Nature of transaction	Nature of consideration	Number of Equity Shares transacted (adjusted for bonus issue)	Face value of Equity Share (in ₹)	Issue price per Equity Share (adjusted for bonus issue) (in ₹)
31-Dec-21	Allotment	Cash	1,08,23,100	10	262.41
27-Jan-22	Transfer	Cash	24,63,900	10	262.41
11-Feb-22	Transfer	Cash	12,900	10	262.41
11-Feb-22	Transfer	Cash	38,700	10	262.41
11-Feb-22	Transfer	Cash	25,800	10	262.41
11-Feb-22	Transfer	Cash	25,800	10	262.41
11-Feb-22	Transfer	Cash	12,900	10	262.41
11-Feb-22	Transfer	Cash	51,600	10	262.41
11-Feb-22	Transfer	Cash	38,700	10	262.41
11-Feb-22	Transfer	Cash	51,600	10	262.41
11-Feb-22	Transfer	Cash	38,700	10	262.41
11-Feb-22	Transfer	Cash	38,700	10	262.41
11-Feb-22	Transfer	Cash	25,800	10	262.41
11-Feb-22	Transfer	Cash	12,900	10	262.41
11-Feb-22	Transfer	Cash	12,900	10	262.41
11-Feb-22	Transfer	Cash	4,25,700	10	262.41
08-Mar-22	Transfer	Cash	3,35,400	10	262.41
13-Sep-22	Allotment	Cash	2,30,435	10	262.40

***Note**:*

(a) Since 14 transactions were made on February 11, 2022 at the same price per share, in total 18 transactions have been considered for the purpose of above table.

(b) Above table excludes shares issuances pursuant to exercise of ESOPs, bonus and gifts.

(c) The Board and Shareholders vide resolutions dated April 20, 2022 and April 28, 2022, respectively, issued and allotted bonus shares in the ratio of 12,899 equity shares for every one equity share held. Accordingly, the number of equity shares transacted and transaction price per equity share has been adjusted for bonus issue by our Company.

4. **The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors are disclosed below:**

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
WACA of Equity Shares that were issued by our Company	262.41	[●] times	[●] times
WACA of Equity Shares that were acquired or sold by way of secondary transactions	262.41	[●] times	[●] times

5. **Justification for Basis of Offer price**

1. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs for the three months ended June 30, 2022 and for the Financial Years 2022, 2021 and 2020**

   [●]

2. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our financial ratios for the three months ended June 30, 2022 and for the Financial Years 2022, 2021 and 2020**

   [●]

3. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in view of external factors, if any**

   [●]

The Offer Price of ₹ [●] has been determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*" and "*Restated Ind AS Summary Statements*" beginning on pages 35, 139 and 201, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Honasa Consumer Limited (formerly Honasa Consumer Private Limited)
Plot No. 63, BLM Tower, 4th Floor, Sector 44
Gurugram, Haryana - 122003

Dear Sir / Madam,

Statement of Special Tax Benefits available to Honasa Consumer Limited (formerly Honasa Consumer Private Limited) and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure 1 and 2, prepared by Honasa Consumer Limited (formerly Honasa Consumer Private Limited) (the “Company”), provides the special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the “Act”) as amended by the Finance Act 2022, i.e. applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, as amended and presently in force in India (together, the “Direct Tax Laws”) and Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020 (“FTP”), each as amended and presently in force in India (collectively referred as “Indirect Tax Laws”) and along with the Direct Tax Laws, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer of the equity shares of the Company (“IPO”).

3. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

5. This Statement is issued solely in connection with the proposed IPO and inclusion in the draft red herring prospectus dated December 28, 2022 of the Issuer prepared under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended to be submitted / filed with the Securities and Exchange Board of India, the BSE Limited and the National Stock Exchange of India Limited and is not to be used, referred to or distributed for any other purpose.

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

per Rajeev Kumar

Partner
Membership Number: 213803
UDIN:22213803BGFZAP9183

Place of Signature: Bengaluru
Date: December 28, 2022

ANNEXURE 1

THE STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

DIRECT TAXATION

Outlined below are the special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2022, i.e., applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, as amended and presently in force in India (together, the "Direct Tax Laws").

A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY

1. Lower corporate tax rate under section 115BAA of the Act

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions/ incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from FY 2019-20.

2. Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct Tax Deducted at Source ("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.

2. As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. o.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed ₹ 1,00,000.

3. Section 112 of the Act provides for taxation of long-term capital gains.
   In case of a domestic company/ resident, amount of income-tax on long-term capital gains arising from the transfer of a capital asset shall be computed at the rate of 20%.

In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long-term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 10% without giving effect to the first and second proviso to section 48.

Further, where the tax payable is payable in respect of any income arising from the transfer of a long-term capital asset, being listed securities (other than a unit) or zero coupon bond, then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48.

4. As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Direct Tax Laws.

Notes:

1. The above Statement of Direct Tax Benefits ("**Statement**") sets out the special tax benefits available to the Company and its shareholders under the Direct Tax Laws.

2. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. This Statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

4. In respect of non-residents, the tax rates and the consequent taxation mentioned above may be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

5. The above Statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.

Our views expressed in this Statement are based on the facts and assumptions as indicated in this Statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For Honasa Consumer Limited (formerly Honasa Consumer Private Limited)

Ramanpreet Sohi
Chief Financial Officer

Place: Gurugram
Date: December 28, 2022

ANNEXURE 2

STATEMENT OF SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP"), each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

I. Special tax benefits available to the Company

1. There are no special tax benefits available to the Company under GST law, except for zero-rating benefit claimed under section 16 of the Integrated Goods and Services Tax Act, 2017, on export transactions.

2. Other than as indicated above, the Company has not claimed any exemption or concession on any transaction, inter-alia including import transactions under the Customs law, FTP or any other Indirect Tax Laws.

II. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax Laws.

Notes:

1. The above Statement of Special Indirect Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax Laws mentioned above.

2. The above Statement covers only above-mentioned tax laws benefits and does not cover any special tax law benefits under Direct Tax Laws or benefit under any other law.

3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

4. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Honasa Consumer Limited (formerly Honasa Consumer Private Limited)

Ramanpreet Sohi
Chief Financial Officer

Place: Gurugram
Date: December 28, 2022

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The market information in the report titled "Report on Beauty and Personal Care market in India" dated December 2022 (the "**RedSeer Report**"), prepared and released by RedSeer Management Consulting Private Limited ("RedSeer"), which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated July 7, 2022, is arrived at by employing an integrated research methodology which includes secondary and primary research. RedSeer's primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry.*

Forecasts, estimates and other forward-looking statements contained in the RedSeer Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has affected economic activity, and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the RedSeer Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

Overview

India macroeconomic overview

India is the world's fifth-largest economy, and is expected to be an approximately US$5 trillion economy by 2026, driven by robust private consumption. Consumption growth has been robust, out pacing the growth in GDP. This is driven by several factors, starting with rising national incomes. India's Gross National Income ("**GNI**") per capita has been growing faster than that of most other larger and comparable economies. Increasing income levels are translating into higher household consumption. The middle-class, a section which drives the bulk of the country's private consumption, is rapidly becoming the most prominent segment of the population – expected to be 55% of the population by 2026.

Driven by better opportunities and standards of living, the middle-class population is increasingly migrating to urban areas. Urbanization is central to India's growth story, as urban areas are the core drivers of consumption. As per Niti Aayog estimates, India's urban share of population is likely to be 50% by 2050 (from 35% as of 2021).

These growth drivers are expected to sustain as India is one of the youngest nations in the world, with a median age of 28 compared to 38 in China and the United States, based on United Nations Population Division estimates in 2021. In 2021, India had the largest millennial and Generation Z (aged 9-40 years) population in the world, at approximately 770 million. Even as a proportion of the populations, they are 55% of India's population, significantly higher than that of other larger economies.

Retail in India

Sized at US$865 billion as of 2021 and expected to grow at 11% annually till 2026, India's retail is a large yet fast growing market – poised to become a more than US$1.4 trillion market by 2026. It is still underpenetrated, with per capita spend of US$622 in 2021 compared to US$4,859 for China. This under penetration indicates significant growth headroom. The market is significantly unorganised, with 85% of the market by value being driven by unorganised channels like Kiranas and street vendors. But the organised space is growing rapidly (three to four times as fast as the unorganised channels). This shift towards organised channels, led by shifts in consumer behaviour where consumers are increasingly looking for more choices, more branded experiences and more convenience is the most prominent theme for the sector as we move forward. This shift is more pronounced in categories such as beauty and personal care ("**BPC**"), with around half of the BPC market expected to be organised by 2026.

The shift of retail to organised channels has been turbocharged by rapid online penetration. By 2026, eTailing (otherwise referred to as online commerce or eCommerce) is likely to be US$180 billion in size, translating to approximately 13% of the retail market. Specific categories like BPC are better suited for rapid online penetration (from 8% penetration as of 2021 to an expected 28% by 2026). Digital-first brands are expected to grow faster than the broader eTailing market. These brands drove about 14% of the eTailing market five years ago. As of 2021, they drove 20% of the market and they are likely to drive 35-40% of the market by 2026. With the growth of Digital-first brands, incumbents may not be best positioned to be protected from disruption led by rapid digital adoption. As consumers mature, they increasingly look for evolved use-cases for purchasing products, therefore white-spaces and opportunities continue to emerge in the market. Positioning to best solve consumer needs in an agile manner is where Digital-first players are likely to have the most success.

The Beauty and Personal Care (BPC) market in India

The BPC products market in India is undergoing a fundamental re-industrialization owing to the convergence of technology, demographic dividend and growing consumer aspirations. Moreover, the market for BPC products in India is expected to grow from approximately US$17 billion in 2021 to approximately US$30 billion in 2026 at a CAGR of approximately 12%, which is among the highest within the broader retail categories (and faster than other retail categories such as food and grocery, jewellery and watches, fashion, consumer electronics, home and living, and pharmacy and wellness) in India during this period. India's per capita spend on BPC products is currently one of the lowest in comparison to some of the other developing countries and is on the cusp of growth as GDP per capita nears US$2,000, which is a critical inflection point as observed in other developing economies.

There are several consumer behaviour changes that are shaping the Indian BPC market. With increasing incomes and awareness, consumers are increasingly looking for masstige brands. These are the brands that provide higher quality at relatively affordable prices. Consumers are also becoming more brand conscious and are better targeted through social or digital marketing. They are more attracted to purpose-driven brands. This phenomenon is not limited to the metro cities, consumers in the Tier-2+ cities are also rapidly showing similar preferences. Also, mirroring the BPC markets in the United States and China, evolved regimes in face care and makeup are becoming more prominent in India. Across product categories, consumers are looking for products which solve specific problems as opposed to generic ones.

BPC is a category that lends itself well to digital penetration. The online BPC market, which is currently approximately US$2.5 billion in size, is expected to grow at 27% annually to be around approximately US$8.4 billion by 2026, translating to an online penetration of 28%. Among the most significant trends driving the online BPC market forward is the disruption led by the digital-first brands, as they are better at catering to the rapidly changing consumer demands. The future of BPC products lies not only with large platform brands but also unique propositions and categories which solve for specific consumer need spaces.

Honasa understands evolving consumer preferences and industry whitespaces and are well positioned to benefit from the expected growth in the market.

Addressable market for Honasa

Honasa is uniquely positioned as a digital-first, sizable and fast-growing BPC house of brands. Its addressable market is expected to be US$45-50 billion by 2026. It is uniquely positioned as a fast growing, sizable digital-first BPC company. It has a fairly strong presence across product categories.

Honasa has grown its revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022, while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13%. It is the largest digital-first BPC company in India in terms of FY22 revenue and has been able to scale rapidly by adopting a digital-first approach, leveraging technology and developing a house of brands strategy.

Honasa has established scale across both online and offline channels and recorded the highest revenue from offline channels amongst digital-first BPC companies in India in Financial Year 2022. It has grown sustainably and profitably. Honasa ranked second amongst the digital-first BPC companies in India in terms of gross profit margins in the Financial Year 2022, and it was one of the two digital first BPC companies in India with a positive adjusted EBITDA margin (defined as EBITDA adjusted for a change in fair valuation of preferences shares, share-based payment expenses (equity settled) and share based payment expenses (cash settled)) in the Financial Year 2021.

Indian Economic Context

India is expected to be an approximately US$5 trillion economy by 2026, driven by robust private consumption, rapid digitisation and several other tailwinds enabling businesses.

As per the International Monetary Fund ("**IMF**") estimates, India's nominal Gross Domestic Product ("**GDP**") was US$3.2 trillion in 2021. It is expected to grow at approximately 10% annually to be more than US$5 trillion by 2026. This uniquely positions India as one of the larger yet fast growing economies. As of September 2022, India is the 5th largest economy in the world, in terms of nominal GDP. And according to forecasts made by the Centre for Economics and Business Research ("**CEBR**") in their 2022 World Economic League Table, India is projected to become the 3rd largest economy in the world by 2031.

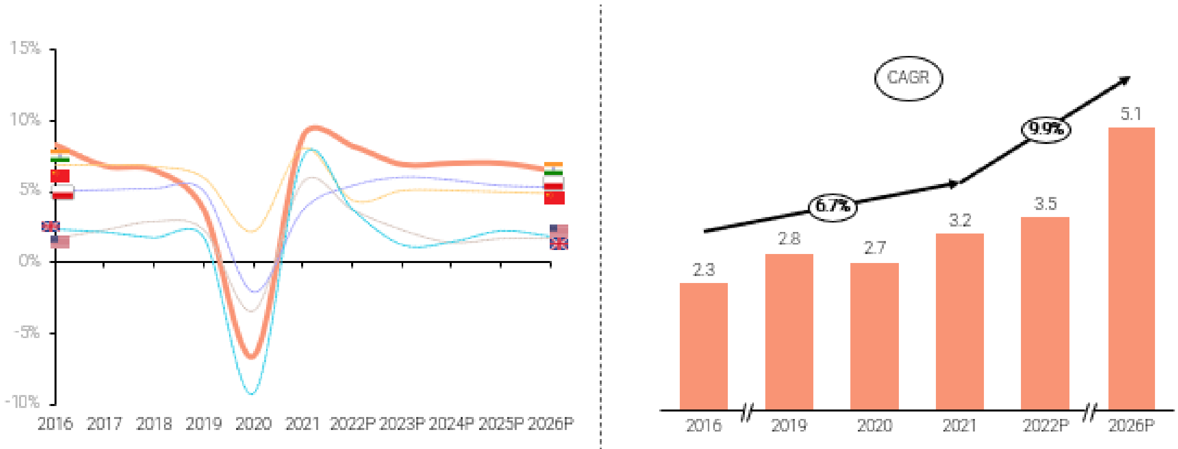


Fig 1. LHS – Real GDP growth – global benchmarks (% growth, 2016-2026P)
RHS – GDP at current prices – India (US$trillion, 2016, 2019-21, 2022P,2026P)
Source(s): International Monetary Fund

Private consumption is a significant driver of economic growth in India.

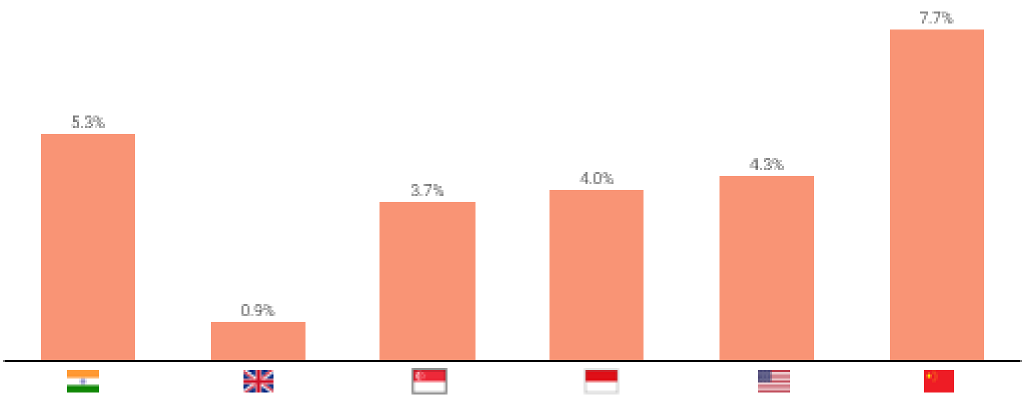
India's share of domestic private consumption, measured as Private Final Consumption Expenditure ("**PFCE**") in its GDP, was approximately 56% in 2021. India's PFCE (2016-21 CAGR of 8.4%) has grown faster than its GDP (6.7% CAGR in the same period). Looking ahead, there is significant growth headroom for PFCE, as its share in the GDP catches up with that of large economies such as the United States and the United Kingdom ("**UK**"). With GDP growing rapidly and PFCE's contribution steadily increasing therein, India is expected to be the 3rd largest consumer market in the world by 2030, as per the World Economic Forum ("**WEF**").

The outlook for consumption is bolstered by strong consumer confidence. According to a RBI Consumer Confidence Survey dated April 8, 2022, '*households' opinion about current and future spending remained in positive territory and was bolstered by a rise in both essential and discretionary spending*'. This bodes well for consumer-facing businesses, as they are likely to witness sustained demand, with consumers purchasing more as well as shifting to higher quality and branded products.

Amongst the several tailwinds driving consumption, the most important ones are:

*1. **Rising incomes resulting in higher consumption***

Income growth is one of the strongest drivers of higher private consumption, and that is clearly visible in India. Here, we use GNI – defined as total amount of money earned by a nation's people and businesses - as a proxy to benchmark prosperity. As per World Bank estimates, India's GNI per capita has been growing faster than that of most other larger and comparable economies. Increasing income levels are translating into higher consumption from households.



Country	India	UK	Indonesia	Singapore	USA	China
2016	1,680	43,460	3,400	53,250	57,140	8,210
2021	2,170	45,380	4,140	64,010	70,430	11,890

Fig 2. CAGR of GNI per capita – Global Benchmark (2016-2021)
Source(s): World Bank

*2. **Rising incomes leading to a large middle-class population, which is a key driver of private consumption***

With incomes rising, there is significant upward mobility, with lower-income households increasingly shifting towards middle-class. The per capita consumption expenditure of middle-class households is more than three times that of low-income households. The consumption pattern is relatively (in comparison with the lower income households) more skewed towards branded products and organised channels.

While middle-class is the largest chunk of the population, the number of high-income households is projected to grow the fastest, at 8% annually between 2021 and 2026. The middle-class and high-income households are projected to drive more than 90% of the private consumption by 2026, which will result in expanded addressable markets for branded players.

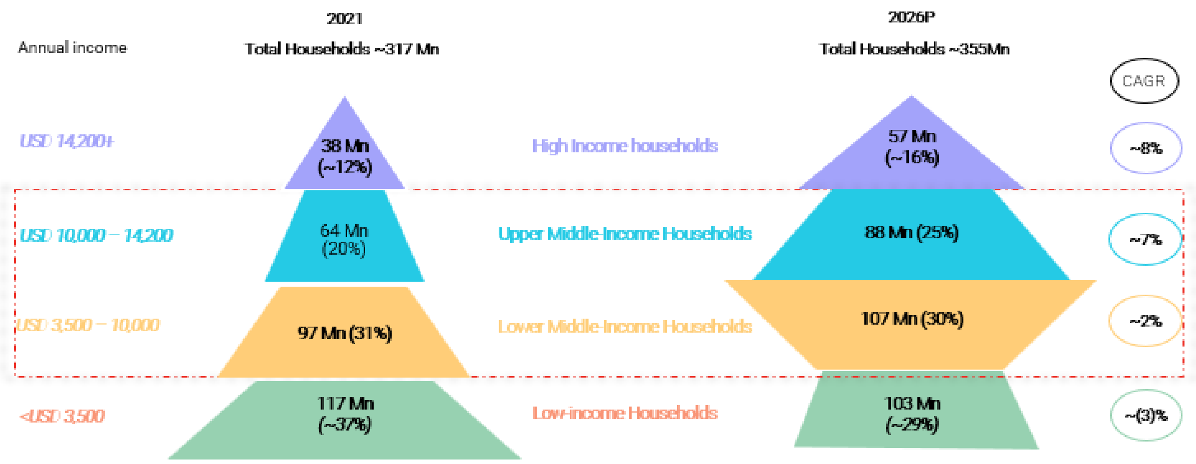


Fig 3. Number of households – segmented by income levels (Millions, %, 2021, 2026P)
Source(s): RedSeer research and analysis

3. *Urbanization is among the most significant growth engines for India, and is directly correlated with higher incomes*

India has the second largest urban population (refers to people living in urban areas as defined by national census or statistical offices) in the world in absolute terms, at approximately 494 million in 2021, second only to China according to the World Bank. Urbanisation is central to India's growth story as urban areas are the core drivers of consumption. This is because urban areas have higher concentration of relatively higher income individuals, particularly among millennials and generation Z. Given the higher concentration of demand in these cities, the supply is also more abundant and diverse in these cities. While India's urban population has been growing rapidly, there is a significant growth headroom. As per World Bank estimates, 35% of India's population resided in urban towns and settlements, compared to the US, which is at 83% and the world average of 56%, as of 2021. According to Niti Aayog estimates, India's urban share of population is likely to be 50% by 2050. This underscores the longevity of the trend of urbanisation in India, directly impacting economic growth and private consumption.

4. *With migration to urban areas, there has been a shift towards nuclearisation, resulting in more households for businesses to reach*

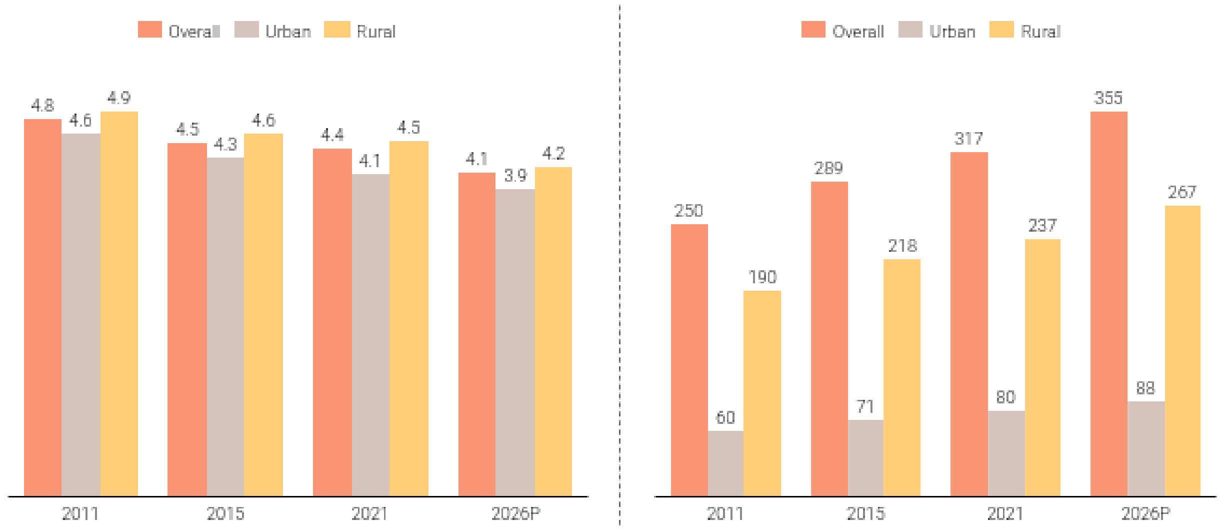


Fig 4. LHS: Average household size – India – Overall, Urban, Rural (#, 2011, 2015, 2021, 2026P)
RHS: Number of households (Million, 2011, 2015, 2021, 2026P)
Source(s): RedSeer research and analysis

India's average household size has decreased from 4.5 in 2015 to 4.4 in 2021. A key driver of this trend is migration, as people move from joint families to form nuclear families in the cities.

This benefits consumer-driven businesses as they have higher numbers of households to reach and serve, directly impacting volumes. The number of households increased by more than 67 million between 2011 and 2021, and it is expected to increase by another approximately 38 million till 2026. Also, the young, aspirational populations, living away from their families, exercise freedom in experimenting with newer brands and products. This benefits new-age businesses which have differentiated value propositions and appeal to the needs and sensibilities of these younger consumers. Further, these populations influence the decision-making of their families in the smaller towns, leading to trickle down effects and easier propagation of the new-age value propositions.

5. ***Due to trickle-down effects and secular migration into urban areas across city tiers, non-metros are witnessing high growth in retail***

With urbanisation, nuclearisation and trickle-down effects – prosperity and consumption trends of the metro cities are gradually trickling down to non-metro cities. The most apparent manifestation of this is in the higher growth of retail in tier 1 and tier 2+ cities as compared to the metros.

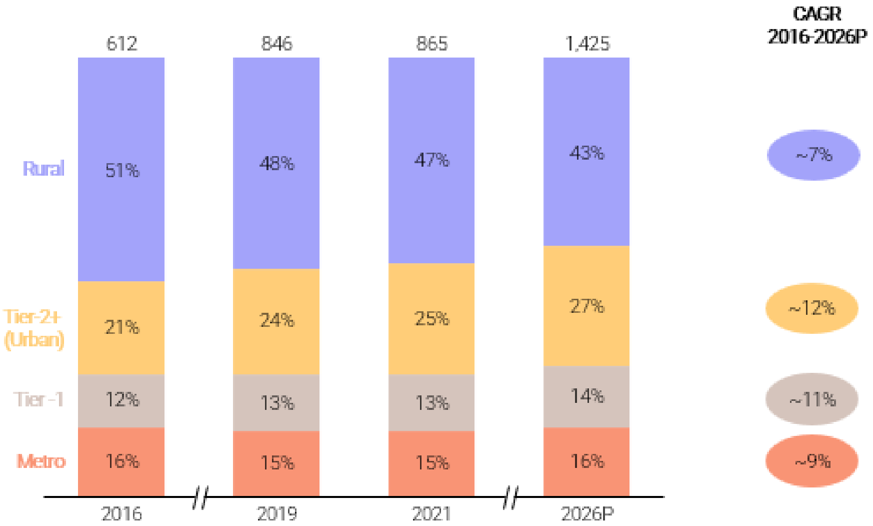


Fig 5. Retail market in India split by city-tiers (Market size in US$billions, Segments in percentages, 2016, 2019, 2021, 2026P)
Note(s): Metros are Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Kolkata and Pune. Tier 1 cities are other Indian cities with populations of at least 1 million. Tier 2+ cities are rest of urban areas as classified by the Census, 2011. Rural are the areas not classified as urban by Census, 2011.
Source(s): RedSeer research and analysis

This trend is likely to persist because it is a cycle. With demand growing fast in the non-metro cities, businesses are increasingly focussing there for growth. The government is also supporting with necessary infrastructure development projects. With enhanced focus on economic activities, the enabling ecosystem of distribution, labour, real estate, capital and entrepreneurs is also evolving, giving rise to more opportunities and higher incomes. This in turn, is propelling consumption, fuelling demand growth in these cities. Owing to the under-penetration of the Indian retail market, especially in the smaller towns, this cycle is likely to propel growth in the long term before saturation kick in.

6. ***The growth headroom for the economy and sustainability of the tailwinds is bolstered by India's young population***

India is one of the youngest nations in the world, with a median age of 28 compared to 38 in China and the United States, based on United Nations Population Division estimates (2021). In 2021, India had the largest millennial and generation Z (aged 9-40 years) population in the world, at approximately 770 million. Even as a proportion of the population, they are 55% of India's population, significantly higher than that of other larger economies.

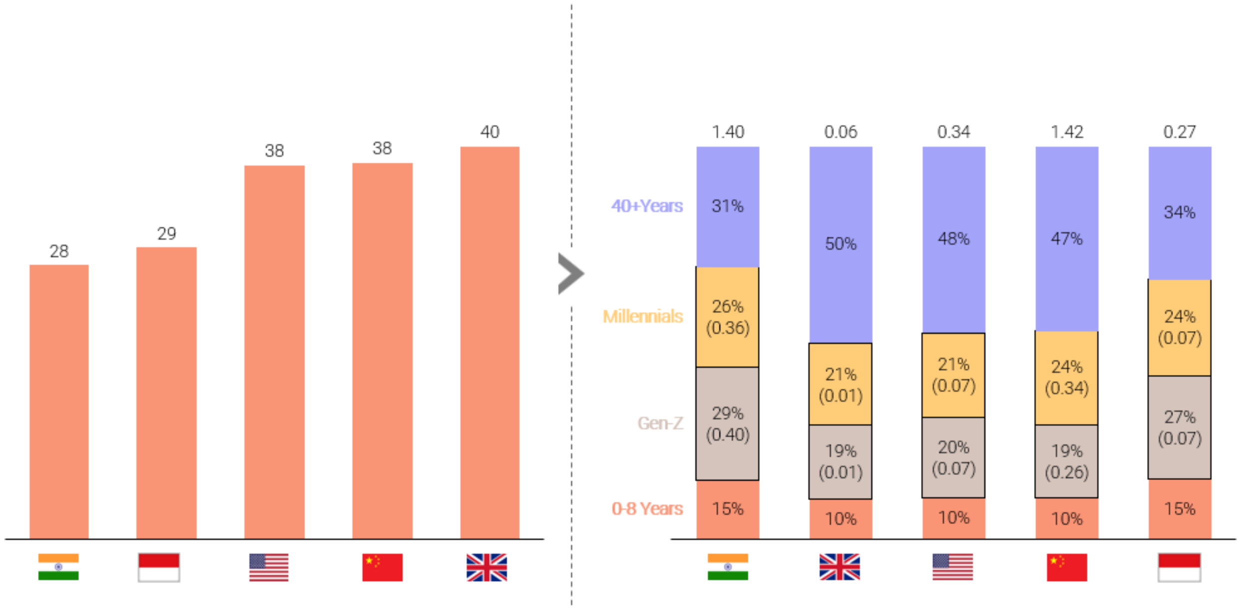


Fig 6. LHS – Median age of population – Global Benchmark (2021)
RHS – Population split by age group – Global Benchmark (Billion, %, 2021)
Note(s): 1. Anyone between the age group 26-40 years refers to Millennial; 2. Anyone between the age group 9-25 refers to generation Z
Source(s): United Nations Population Division

India's millennials and generation Z are likely to become a major consumption pool and spend more than their predecessors. This underscores India's consumption tailwinds. Further, the millennials and generation Z will be more brand-aware and informed than India's previous generation of consumers. The younger populations are naturally pre-disposed to adopting new trends given their exposure to media and technology, which presents an opportunity for branded products and organized retail. This reinforces the growth potential of brands in India.

*7. **Further growth potential to be unlocked with increased participation of women in the labour force, particularly services***

Women tend to be the key decision-makers in households as far as most fast moving consumer goods categories are concerned. This behaviour is prominent in households where women are educated and/or have their own income streams, leading to more social influence in their families. With increasing access to education and participation in the labour force, women are positively impacting consumption, especially in sectors like BPC. The trends around access to education and participation in labour force are playing out strongly in India.

Between 2005 and 2015, enrolment of girls in secondary education increased from 45% to 81% and surpassed the enrolment of boys in 2018-19. Higher education also witnessed an increase in women enrolment, with almost 20% of women pursuing higher education studies compared to 22% of men. Driven by access to education, women participation in the labour force, particularly in the service sector, has increased significantly. Work from home policies are providing higher flexibility to women and at the same time the number of women influencers is on the rise. The rate of women participation in the service sector has jumped to 28% in 2019, compared to 25% in 2016. However, there is significant growth headroom and value to be unlocked as India catches up to global economies like the UK, the United States, Indonesia and China.

As more women are educated and/or participate in the labour force, they are likely to have a disproportionately positive impact on the retail space generally and BPC particularly.

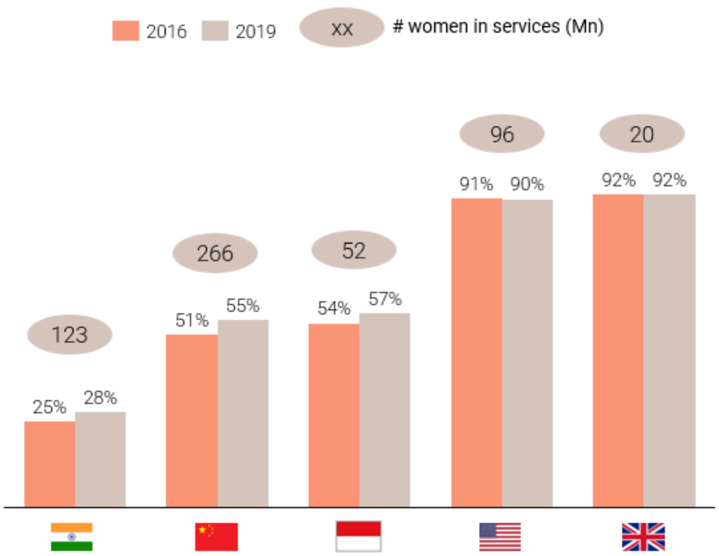


Fig 7. Women participation in service sector – Global benchmark (%, 2016, 2019)
Note(s): Women participation in service sector is calculated by dividing the number of women in service sectors by the total number of women in the workforce (aged 15+)
Source(s): World Bank

India Retail

Sized at US$865 billion as of 2021 and expected to grow at 11% annually till 2026, India is a large yet fast growing retail market

Retail is one of the major drivers of the Indian economy. It accounted for 27% of the GDP in 2021, and almost half of the private consumption. While the GDP is expected to grow at approximately 10% annually till 2026, retail is expected to grow faster, at 11% annually, to become a more than US$1.4 trillion market by 2026.

India's retail market is still underpenetrated. India's per capita retail spend was US$622 in 2021 compared to US$4,859 for China (roughly eight times that of India) and US$19,980 for the United States (roughly 32 times that of India). Hence, India's retail market has been growing much faster than that of the large economies and is expected to do the same going forward. Disregarding the market distortions due to COVID-19 pandemic, India's historical growth of 11% annually between 2015-19 has been much higher than that of the United States and the UK, as both grew at around 3% annually, and that of China, which grew 7-9% annually.

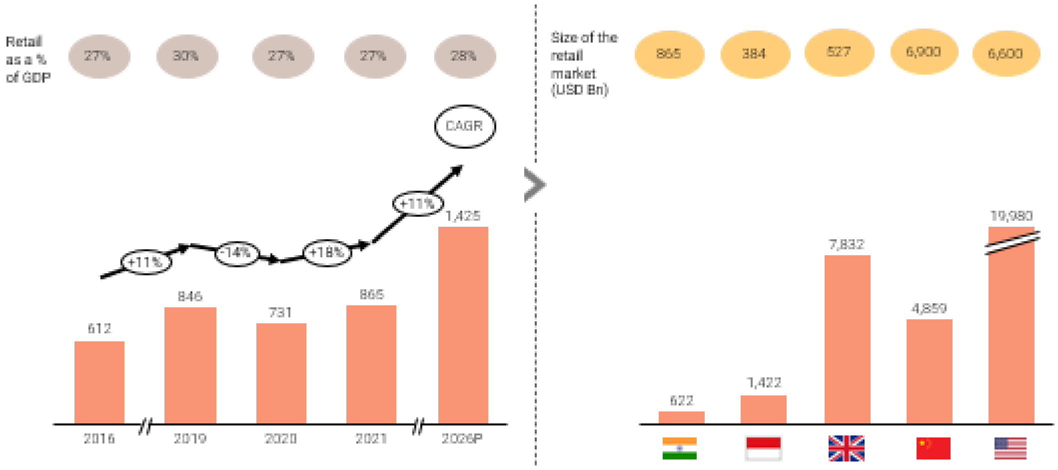


Fig 8. LHS – India retail market size in bars and retail market as a % of GDP in bubbles (US$in billions, %, 2016, 2019, 2020-21, 2026P)
RHS – Global benchmarks of retail spends per capita in bars (US$, 2021) and size of the retail markets in bubbles (US$billion, 2021)
Source(s): RedSeer research and analysis

Among the most significant themes underpinning the growth of retail in India is the shift towards organised channels

India's retail market has been largely unorganised. The unorganised market characterised by the prevalence of the *kiranas* - shops run by individual, local businessmen which house multiple categories of products including grocery, BPC, home care, packaged foods and many others. These entities have been operating since a long time but have shortcomings like low product variety, inability to assess shift in consumer needs, to name a few. While these mediums make for 85% of the retail market, there have been rapid shifts to organised channels like modern trade outlets (shopping malls/ marts, multi-brand outlets, exclusive brand outlets and online (marketplaces and direct-to-consumer ("**DTC**")). This is led by shifts in consumer behaviour where consumers are increasingly looking for more choices, more branded experiences and more convenience. Organised channels are better able to serve these needs, hence, they have been growing faster than the unorganised channels with sustained momentum. Going forward, the organised channels are likely to grow 3-4 times as fast as the unorganised channels.

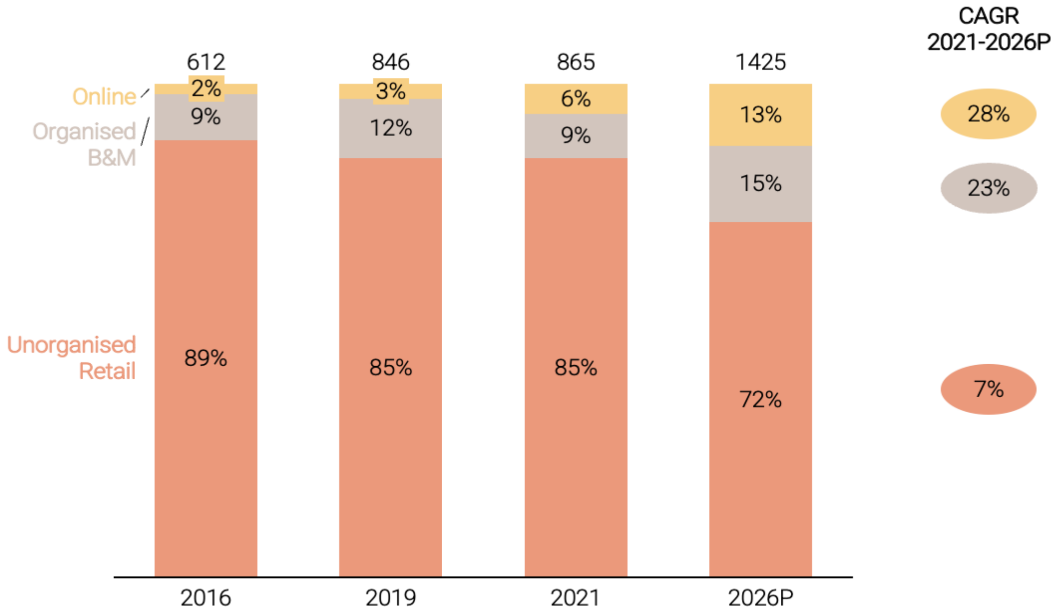


Fig 9. India's retail market split by channels (US$billion, 2016, 2019, 2021, 2026P)
Note(s): Unorganised offline is largely general trade channels; Organised B&M stands for organised brick and mortar stores, otherwise known as modern trade channels like shopping malls/ marts, multi-brand outlets, exclusive brand outlets; Online refers to marketplaces as well as own online platforms of brands
Source(s): RedSeer research and analysis

The shift to organised channels is a fairly secular trend across most key retail categories, however it is more pronounced in categories such as BPC, Apparels and Electronics which lend well to brand creation. The products in these categories are differentiated through brands and their design language is pervasive across various facets of the products. These categories already have much higher organised penetration already – more than 6-10 times the organised penetration of grocery as of 2021. Going forward, these categories are likely to become overwhelmingly organised – around half of the BPC market and more than 90% of the electronics market.

Category	2016	2021	2026P
Grocery	3%	5%	<10%
Pharma & Wellness	10%	13%	14-18%
BPC	23%	33%	45-55%
Apparel	29%	42%	55-65%
Electronics	38%	59%	90%+

Fig 10. Share of organised (online and organised brick and mortar) in key retail categories (% of market by value, 2016, 2021, 2026P)
Source(s): RedSeer research and analysis

The shift of retail to organised channels has been turbocharged by rapid online penetration

Online retail (alternatively known as eTailing) in India is already a more than US$50 billion market as of 2021 and is growing fast. However, the story of online penetration of Indian retail is fairly nascent. With 6% online penetration of retail, India lags major economies like China (31%), the United States (15%), Indonesia (13%) and the UK (30%). As the market grows, by 2026, eTailing is likely to be US$180 billion, translating to approximately 13% of the retail market. Specific categories such as BPC are better suited for rapid online penetration – from 8% penetration as of 2021 to 28% by 2026.

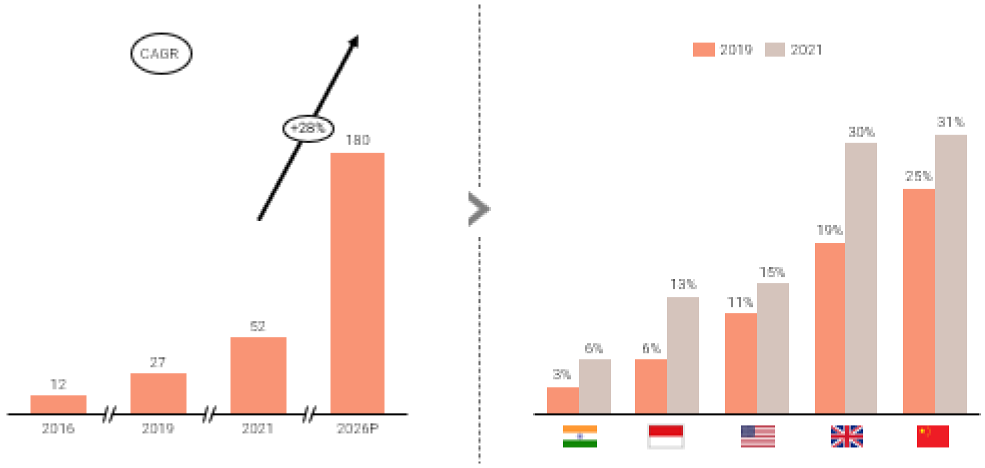


Fig 11. LHS – eTailing market size in India (US$ billion, 2016, 2019, 2021, 2026P)
RHS – Online penetration of retail – Global benchmarks (%, 2021)
Source(s): RedSeer research and analysis

Over the past few years, '*Digital-first brands*' have emerged, and they are likely to be a core driver of growth in e-tailing in India. We define Digital-first brands as brands which make at least 60% of their gross merchandise value ("**GMV**") from online channels. Online channels include marketplaces and/or the brands' own online platforms. Digital-first players have emerged fairly recently, yet have scaled very fast. For context, Digital-first drove about 14% of the eTailing market five years ago. As of 2021, they drove 20% of the market and they are likely to drive 35-40% of the market by 2026. This is impressive, given vintage and brand recall of some of the traditional first brands.

With the ability to launch and sell products at significantly lower costs through online channels, digital-first brands can scale at a much faster pace than can legacy brands, which incur significant costs. Moreover, owing to the wide reach offered by eTailing marketplaces, digital-first brands get immediate access to national markets. New-age third-party logistics companies also enable these brands to develop hassle-free sourcing/delivery routes. Owing to this hyper-growth and scalability allowed by the nature of their operations, digital-first brands attract significant investor attention. Going forward, within the context of eTailing, Digital-first brands are likely to grow twice as fast as the offline-first brands.

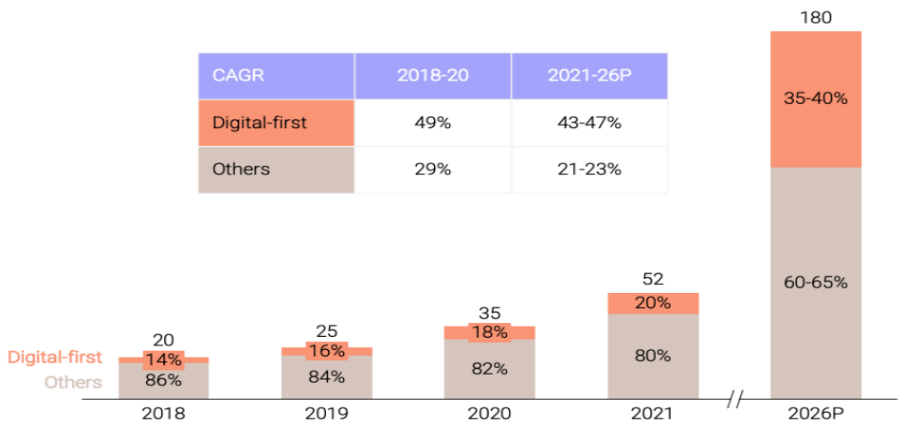


Fig 12. Indian eTailing market split by type of brands (% of eTailing market by value in US$billion, 2018-2021, 2026P)
Source(s): RedSeer research and analysis

Even as retail witnesses rapid digital adoption by consumers and businesses, the incumbents may not be best positioned to be protected from disruption. As consumers mature, they increasingly look for evolved use-cases for purchasing products. Therefore, whitespaces and opportunities keep emerging in the market. Positioning to best solve the consumer needs in an agile manner is where the Digital-first players are likely to have the most success. The current environment is very conducive to the growth of Digital-first brands specifically. These players are leveraging the unlimited shelf space that the online channel provides to cater to wide ranges of consumer needs. They are innovating on the back of real-time access to consumer and value-chain data. With the availability of strong supply chain and software-as-a-service ("**SaaS**") enablers, payment infrastructure players, and capital to build businesses, the number of such brands in India has ballooned. That is, from 450-550 brands in 2019 to between 1,500-2,000 brands as of 2021, which is a growth of three to four times.

Beauty and Personal Care in India

Beauty and Personal Care in India is an approximately US$17 billion market, and expected to grow at 12% annually to be approximately US$30 billion by 2026

Sized US$17 billion, BPC in India is a large market (eight largest in the world), BPC is significantly underpenetrated in India. Traditionally, Indian households have spent lesser on BPC in comparison to other countries. For instance, in 2021, BPC spends per capita in China were 4.5 times of that in India. Even compared to relatively smaller economies like Indonesia and Bangladesh, India's per capita BPC spends are lower, indicating massive growth headroom.

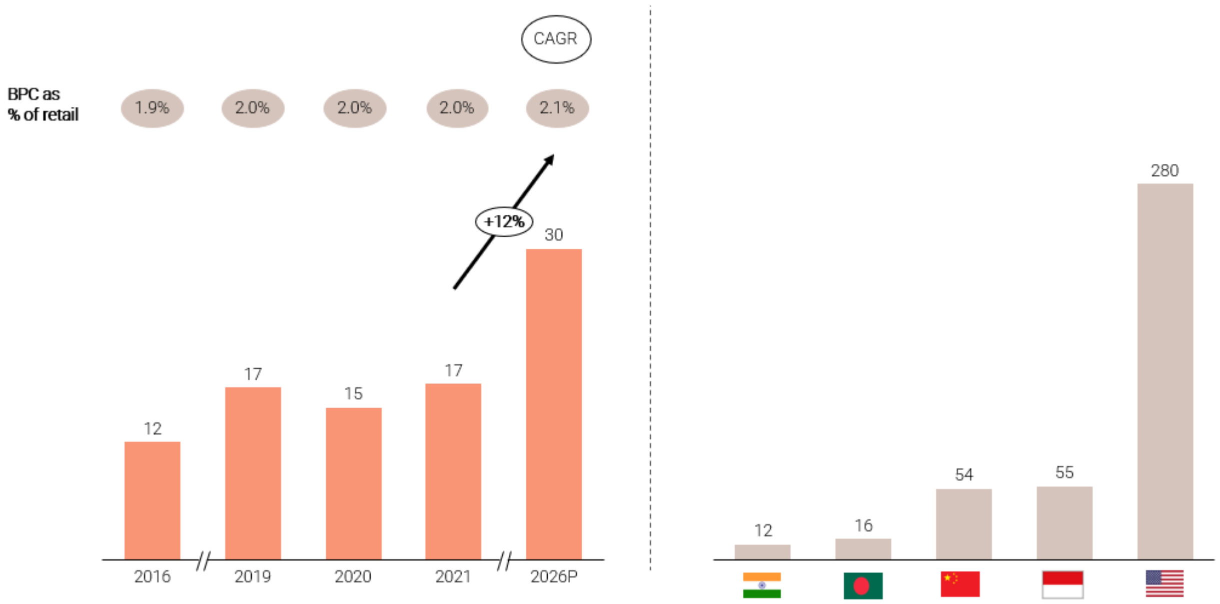
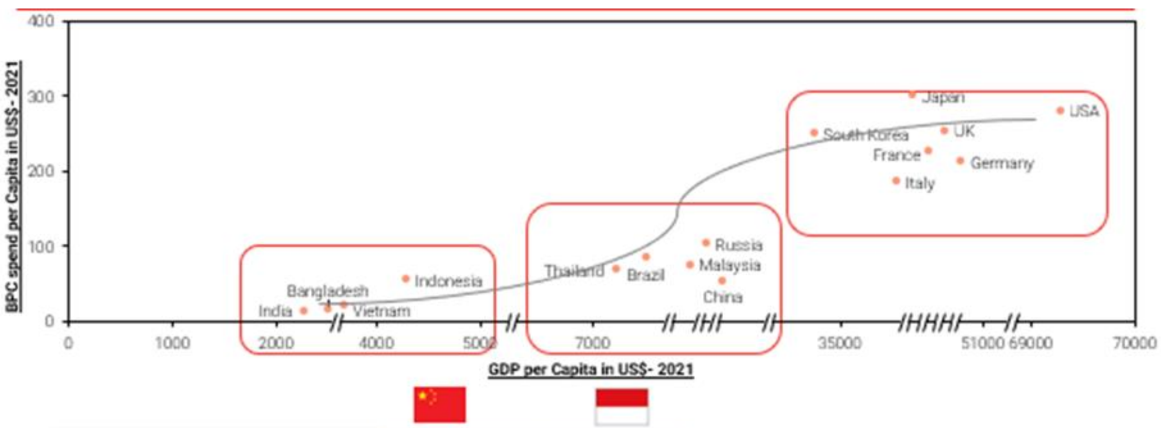


Fig 13. LHS – India BPC market size (US$billion, 2016, 2019, 2020 2021, 2026P); RHS – BPC spends per capita – Global benchmarks (US$, 2021)
Source(s): RedSeer research and analysis

The BPC products market in India is undergoing a fundamental re-industrialization owing to the convergence of technology, demographic dividend, and growing consumer aspirations. It is growing fast - annual growth of 12% between 2021 and 2026, which is faster than the expected growth of the broader retail market in the same period (11%). BPC is also expected to grow faster than categories like food, grocery and consumer electronics. This makes BPC one of the most attractive retail categories in terms of growth. India's per capita spend on BPC products is currently one of the lowest in comparison to some of the other developing countries and is at the cusp of growth as GDP per capita nears $2,000, which is a critical inflection point as observed in other developing economies.



Reached GDP per capita of US$ 2000 in (Year)- **Inflection**	2006	2009
BPC per capita CAGR for 10 years post inflection	16%	10%
GDP per capita CAGR for 10 years post inflection	7%	3%
BPC market size growth post inflection (BPC market size 2021 divided by BPC market size at inflection)	9x	3x

Fig 14. S-curve of BPC spends against GDP per capita -Global benchmarks (x-axis – GDP per capita; y-axis – BPC spend per capita, 2021)
Source(s): RedSeer research and analysis, World Bank

BPC channel segmentation

The offline channel, which consists of unorganised channels, such as general trade, and organised channels such as modern trade and salons, contributed to 85% of the BPC products market in India in 2021 in terms of revenues. Therefore, offline is the largest BPC channel. Also, due to lower customer acquisition costs, sale of BPC products through offline channels tends to be more profitable as compared to online channels.

Within offline channels, the organised channels are growing much faster than unorganised (general trade). However, online is the fastest growing BPC channel. Online has two types of channels – online marketplaces like the horizontal eTailing portals and beauty-focussed vertical marketplaces and DTC – own digital platforms of branded players. The online marketplace channel is expected to grow at 25% annually between 2021 and 2026, and DTC is expected to grow at 45% annually between 2021 and 2026.

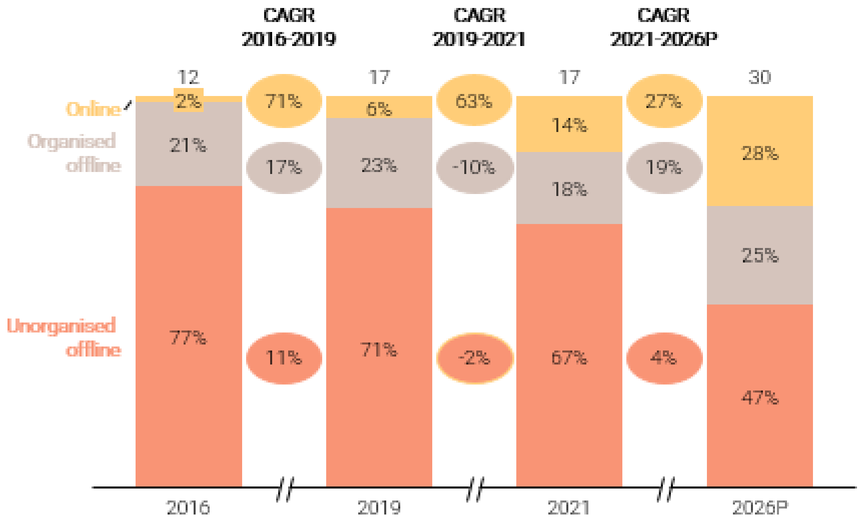


Fig 15. BPC market (value) segmented by channels (% of BPC market by value in US$billions, 2016, 2019, 2021, 2026P)
Note(s): Unorganised offline is largely general trade channels; Organised offline stands for modern trade channels like shopping malls/marts, multi-brand outlets, exclusive brand outlets; Online includes online marketplaces which are eTailing platforms that sell multiple brands and/or multiple product categories and online DTC which are own online platforms of brands; Segment shares are rounded off
Source(s): RedSeer research and analysis

BPC sales in the online channel is nascent and is growing much faster than the broader BPC market. COVID further accelerated its adoption by encouraging trials, while superior consumer experience provided by online players has boosted consumer confidence, driving retention. On the supply side, online is attractive for players as it entails lower cost, infinite shelf space and instantaneous access to actionable data, to note a few of the efficiencies. As a result, even as offline channels witnessed de-growth post COVID (between 2019 and 2021), online channel grew more than 60% annually in the same period. Online channel accounted for 2% of the India's BPC market in 2016 and grew rapidly to account for 14% of the BPC market in 2021. Going ahead, the compounded annual growth rate of the online channel is likely to be up to seven times as much as that of the unorganised offline (general trade) channel and it is projected to account for 28% of the BPC market by 2026.

In India, traditional channels are generally not designed to offer a wide range of products to the tier 2+ cities. E-commerce can help penetrate this market – this is a large structural tailwind. Rising internet penetration and India's digital payment infrastructure should accelerate growth.

The online BPC market is under-penetrated. Compared to the United States and China, where online penetration of BPC is 20-25% and 35-40% respectively, the same for India is around 14%. Further, within Indian eTailing, categories such as electronics have close to 50% online penetration. This further underscores the growth headroom for online BPC. With online retail mimicking China's trend of high online penetration, and e-commerce players covering most of the pin-codes, brands have increased access to acquire new customers in Tier-2+ cities. Therefore, online BPC is growing fast. It is currently sized as US$2.5 billion, and is expected to grow at 27% annually to be around US$8.4 billion by 2026, translating to online penetration of 28%.

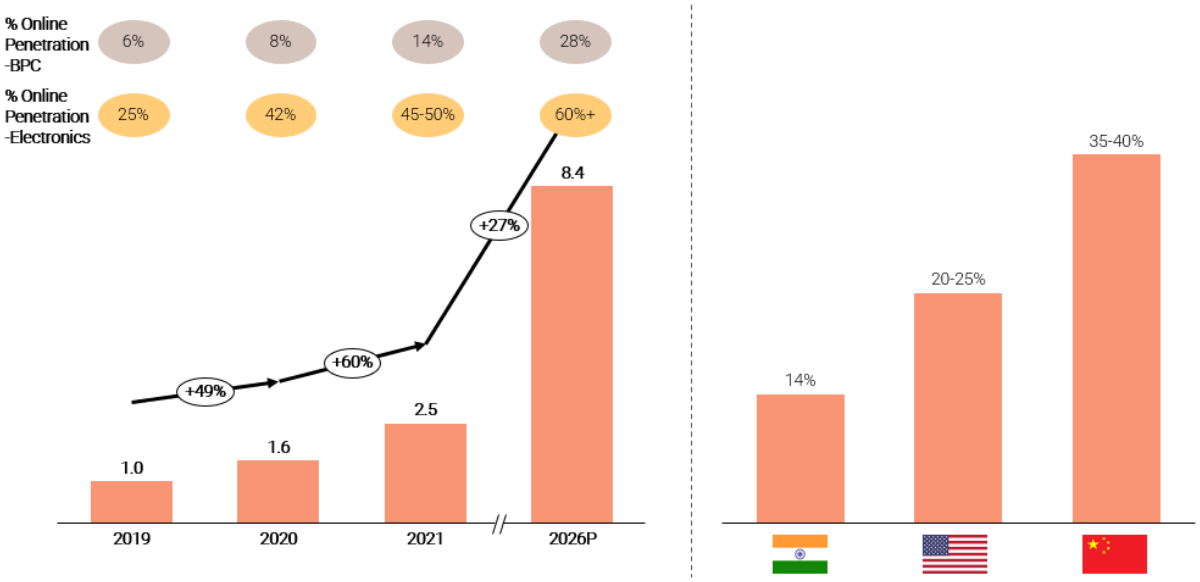


Fig 16. LHS – Indian online BPC market size (US$billion, 2019-21, 2026P)
RHS – Online penetration of BPC – Global benchmarks (%, 2021)
Source(s): RedSeer research and analysis

Among the most significant trends driving the online BPC market forward is the disruption led by the Digital-first brands

Within this online BPC market, digital-first brands, through technology-led approaches, are changing the Indian BPC landscape. Contributing 17% of the online BPC market and sized at US$425 million as of 2021, Digital-first brands' revenues have grown at 98% annually between 2019 and 2021, which is twice as fast as the other BPC brands who sell products online. In the same period, the number of Digital-first BPC brands in India has doubled.

Digital-first BPC brands are democratising distribution by leveraging ecosystem partners like third-party logistics players. Through the support of these partners, Digital-first BPC brands can potentially reach 19,000 pin-codes as of 2021, as opposed to just about 3,000 in 2010. Beyond logistics, Digital-first also leverage enablers like SaaS and payments enablers to drive efficient value chains and seamless customer experience. Traditionally, BPC supply chains were either localised for unorganised players, or piggybacking on the larger retail supply chains of conglomerates. Enabled by ecosystem partners, Digital-first BPC players are much better equipped to serve the evolving consumer needs around personalisation and the required breadth of offerings.

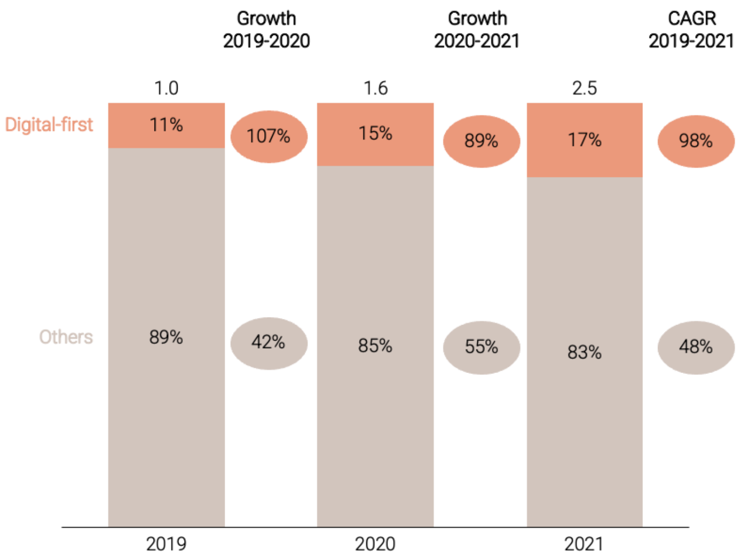


Fig 17. Online BPC market split by type of brands (Market size in US$billions, splits in %, 2019-21)
Source(s): RedSeer research and analysis

BPC Products

There are significant trends which are shaping consumer demand in BPC in India. Some of the prominent ones are as below:

i. <u>Premiumisation</u> – BPC products are generally classified into three price brands - mass, masstige and premium. Mass represents the class of products that are priced lower (the price levels varying across product categories) and are generally accessible to broader population from an affordability standpoint. The masstige segment, is priced at least

10-15% higher than the mass products while the premium category is priced at least 20% higher than masstige. Despite its structural growth, the BPC market is still at an early stage of development and provides significant room for growth. More than 50% of the market is dominated by mass market products. However, masstige is the fastest growing price segment in BPC and is likely to continue being so, going forward. By 2026, this segment is expected to be the largest price segment within BPC. Growth in this segment is being driven by increased disposable incomes, rise in aspirational BPC buying towards more individualised products that solve for specific need-spaces, and demand for better quality products leading to willingness to pay more. While incumbent brands (both domestic and global) continue to dominate the mass category, new-age companies are increasingly focusing on the masstige price point and are introducing high quality products that address consumer's emerging needs and preferences.

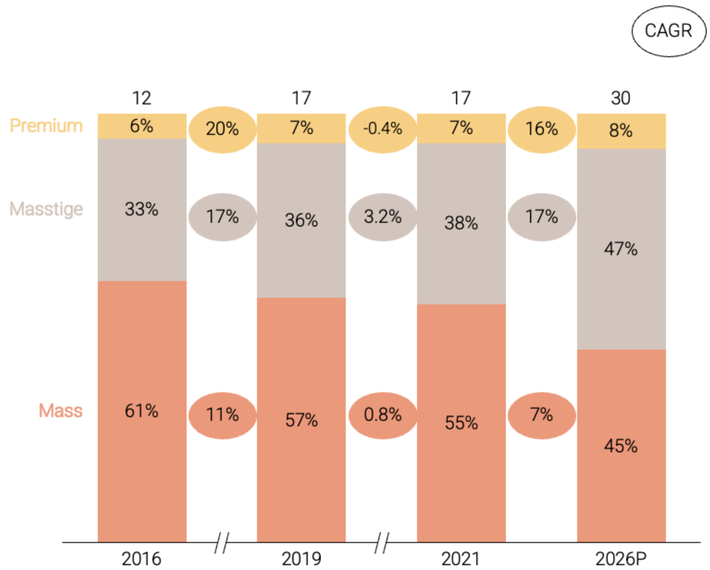
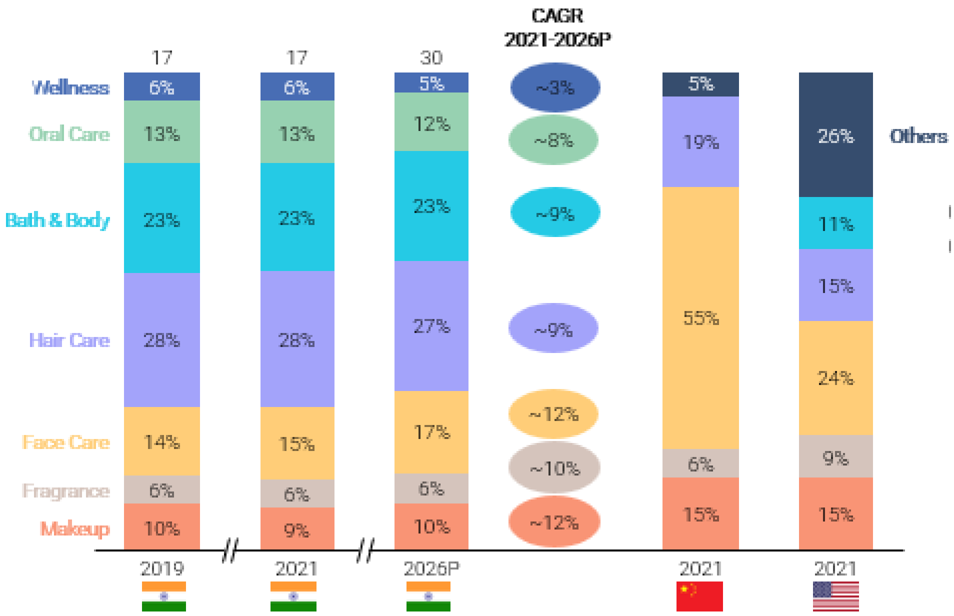


Fig 18. BPC market (value) segmented b premiumness (% of BPC market by value in US$ billion, 2016, 2019, 2021, 2026P)
Source(s): RedSeer research and analysis

ii. <u>Evolving category-mix, with a focus on face care and makeup</u> – While hair care is the largest BPC category, growth is being led by categories such as face care and makeup. This closely mirrors BPC segmentation in the United States and China, where face care and makeup contributes 70% and 39% to the respective BPC markets, compared to 24% in India. The trend is being driven by increasing awareness and demand for newer regimes. For instance, consumers are increasingly aware of extensive regimes that revolve around cleansing, exfoliating, treating, moisturising and protecting the face. With players investing on educating consumers about these regimes and related products to use, the demand for these categories has grown significantly.



Category mix of BPC market by value which is in US$billion and segments in % – India (2019, 2021, 2026P) and the United States and China (2021)
Note(s): Others in the United States and China include Wellness (Women hygiene, Sexual wellness and Hair supplements like Biotins) and Oral Care: For China, Bath & Body is subsumed under Face Care
Source(s): RedSeer research and analysis

Further, demand momentum for face care and makeup in the online channel is fairly strong. While makeup leads the online penetration across categories, face care has the second highest online penetration. The trend is likely to persist going ahead as well, with makeup and face care having 46-50% (2.5x of 2019) and up to 34-38% (4x of 2019) online penetrations respectively by 2026.

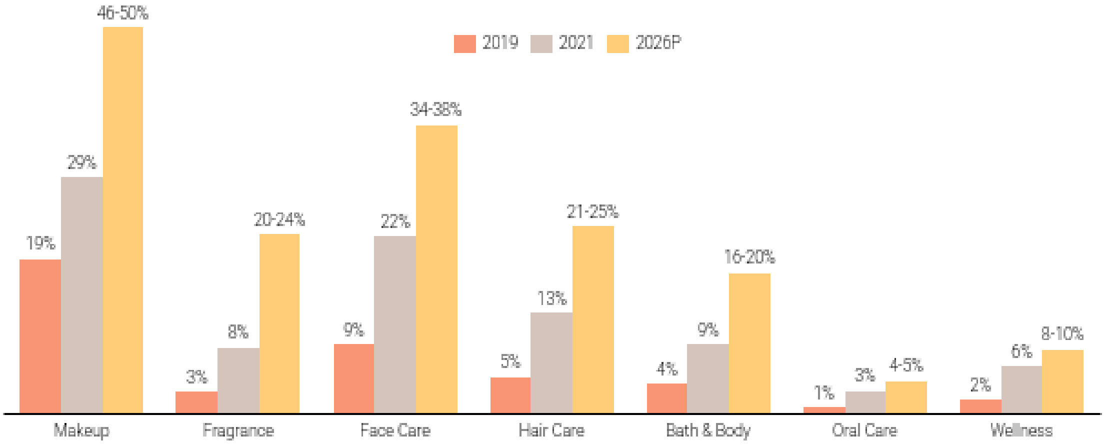


Fig 19. Online penetration (by value) across BPC categories (% of BPC category size, 2019, 2021, 2026P)
Source(s): RedSeer research and analysis

iii. Growth In BPC spends by millennials and generation-Z – The tastes, preferences and habits of each millennial and/or generation-Z are different. As such, there is no single definition of a millennial or a generation-Z consumer. These next-generation consumers aspire to express their individuality through in-trend BPC products, inspired by their friends, family, celebrities and influencers on social media. They are well-versed digitally, spend more time online and are conscious of new lifestyle trends. They are capable of buying lifestyle products on a regular basis as their income grows and are central to the business strategy and growth plans of BPC players. The buying behaviour of these consumers is different from that of a traditional Indian shopper. They have a relatively sophisticated make-up and skin care regime. Consumers in the 25-35 years age group are the most active BPC buyers. And consumers in the 18-24 years age group are likely to try and explore new BPC categories.

India has the largest population base of generation Z and millennials in the world. Their prominence in the population is on an increasing trend. As of 2021, they constituted around half of India's workforce. By 2026, they are likely to constitute 60% or higher proportion of the workforce. As such, their contribution to consumption is likely to be significantly larger. This bodes well for the BPC space from the perspective of robustness of demand.

iv. Increasing brand consciousness – Millennials in India are becoming increasingly conscious of their BPC needs and the brands they consume. With them increasingly driving the market, the demand for branded products has increased. These consumers like to use brands to communicate and project their self at a social level. Hence, they want brands which they can relate to, which have clear value propositions, and which communicate high standards. This is resulting in rapid growth of the organised channel.

However, traditional brands are facing significant challenges in incubating new brands propositions. Their innovation tends to focus more on brand extensions and global portfolio extensions. Due to top-down strategy, their strength in distribution measured by their reach or numeric distributors is holding back their ability to quickly launch new products. Traditional incumbents are not best equipped for rapid innovation and are slower in meeting the rapidly evolving needs of the consumers. These players have had relatively lesser number of brand launches in the last five years compared to some of the better performing digital-first brands.

v. Emergence of new need spaces/ propositions in BPC – Millennials in India are becoming increasingly conscious of their BPC needs and the brands they consume. They are also more acutely oriented towards new-age innovations that cater to their specific needs and preferences, as compared to mass market propositions that cater to more mainstream or functional need spaces. With this change in consumer behaviour, brands, especially the new-age ones are coming up with more need-based and targeted offerings. In line with the changing customer dynamic, it is likely that the future of BPC products lies not only with large platform brands but also with new-age propositions and categories which cater to specific consumer need-spaces. For instance, searches for hair care products which have safer ingredients and do not negatively affect the hair, such as paraben-free, sulphate-free shampoos have increased dramatically. Similarly, when it comes to facecare, searches for oil control and anti-acne products have also increased rapidly. The demand for products with active, natural, and/or hydration based ingredients, which are consumer-driven differentiated ingredient positioning has increased significantly in comparison to that for functional products. The active ingredients proposition was relatively nascent in India about two years back in 2020. However, over the last two years, the market has grown exponentially with consumers becoming increasingly aware about the benefits of skincare products with scientific ingredients.

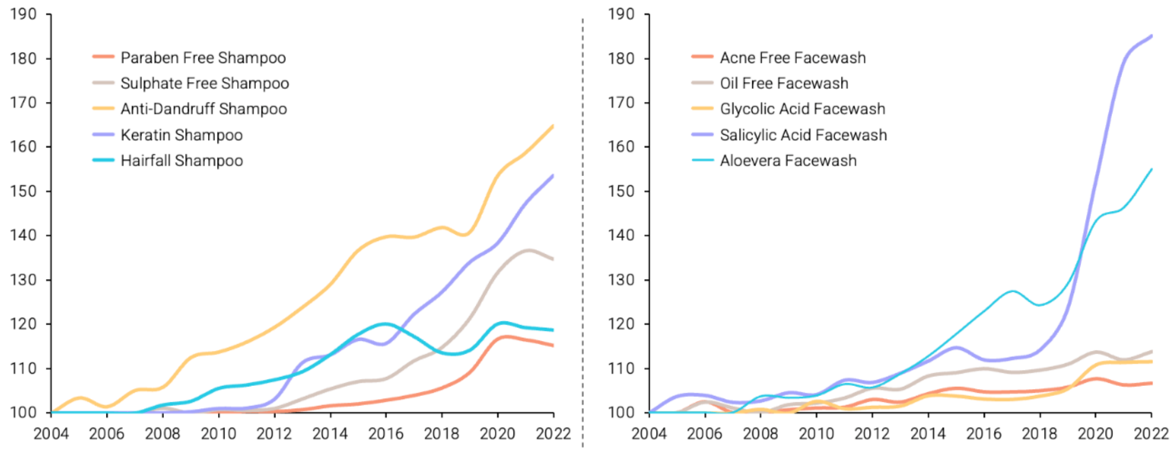


Fig 20. LHS - Google search trends for specified terms – Haircare (2004-2022, 2004 indexed to hundred)
RHS - Google search trends for specified terms – Facecare (2004-2022, 2004 indexed to hundred)
Source(s): Google search trends, RedSeer analysis

The speed of innovation required to meet the rapidly evolving consumer needs and staying at the top of their minds is mission-critical for businesses. Hence, the ability to innovate rapidly and churn out products quickly has become a differentiator for players.

vi. Higher prominence of digital/social media marketing – While serving the emerging needs is a significant opportunity, choosing the right marketing strategy to drive awareness and adoption is important. This is where digital marketing comes in. Millennials are most influenced by other millennials, with word of mouth and voices of key opinion leaders and influencers emerging as key sources of driving brand awareness and consideration. Also, the millennials respond better to content that is meaningful and contextualized to their specific needs and preferences as compared to traditional content formats that are based on brand or product pitches. As a result, mass marketing to this generation will be less effective, as they seek more genuine feedback from family and influencers.

Digital media also serves as an excellent platform for educating consumers on new products and their propositions. It has also disrupted the pattern in discovery and purchase decisions, with consumers spending more time online and depending more on feedback from people they can relate to and/or trust as opposed to celebrities. As a result, there has been a surge in digital marketing spends by businesses.

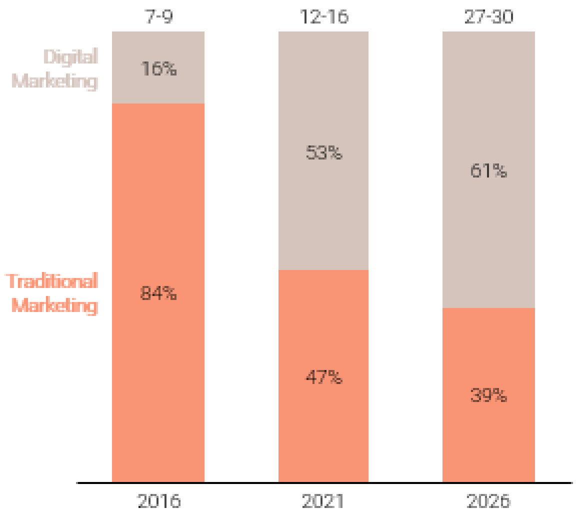


Fig 21. Marketing spends in India split by channels (US$ billion, 2016, 2021, 2026P)
Source(s): RedSeer research and analysis

And in parallel, there has been a growing pool of influencers. The key, going forward, is the right use of the new-age platforms and tapping the highest-quality influencers therein, to tell the consumers compelling stories that they can relate to.

vii. Purpose-driven brands – Consumers are moving from 'what'-based brands to 'why'-based brands. In particular, millennials are increasingly being driven to brands that are built on a strong mission or purpose, as compared to brands that primarily cater to functional need spaces. They prefer brands that have clear value systems and ethos, and which stand for ethics, environmental consciousness and social welfare. This also extends to safe and sustainable practices around product trials. And they are willing to pay a premium for these. New-age brands are increasingly cognisant of this. Therefore, this has become a key differentiator for such brands.

viii. Increasing contribution from beyond the metros – With increased awareness, consumers in non-metro cities are mirroring aspirations and lifestyle of metro cities. In those cities, there has been an increase in aspirational spending on BPC products, enabled by rising disposable incomes, increasing female workforce participation, increasing popularity and growing influence of social media, and lifestyle changes. This has brought about a shift from homemade solutions to branded products along with consumption of new category products. The market growth has been enhanced by investment from BPC players, especially the new-age ones, in customer education.

Moreover, growth of both modern retail channel and e-commerce has enabled access to masstige and premium products in tier 2+ cities and towns. Tailwinds such as rapid internet and smartphone adoption have democratised access to products and related information. BPC spending from Tier 2+ cities are projected to grow faster than Metro and Tier 1 cities.

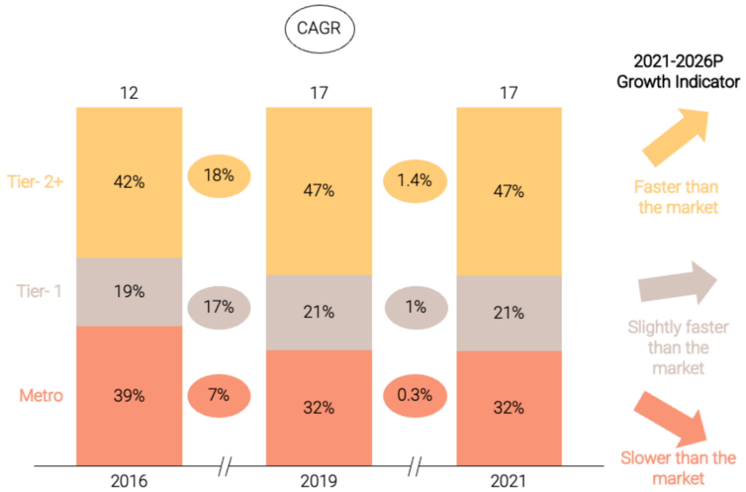


Fig 22. BPC market (value) segmented by city tiers (% of BPC market by value in US$ billions, 2016, 2019, 2021)
Source(s): RedSeer research and analysis

Addressable market for Honasa

Honasa's addressable market is expected to be US$45-50 billion by 2026

Honasa, through its house of brands approach addresses the entire BPC market in India which is sized approximately US$17 billion as of 2021, and expected to become a US$30 billion large market by 2026.

Category focus and innovation

Honasa has fairly strong presence across categories. It is the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022. The company has continuously launched innovative products and has established presence across several BPC sub-categories such as face wash, shampoo, hair oils, etc. with products in the baby care, face care, body care, hair care, makeup, wellness, bath and body and fragrance segments. Mamaearth, with the insight of providing traditional do-it-yourself ("**DIY**") beauty ingredients in modern and convenient formats has become the market leader in onion and ubtan based beauty products in terms of revenue from operations from these ranges for the Financial Year 2022. Further, in a short span of six years, Mamaearth has captured an approximately 3.8% market share in the face-wash category in India in terms of revenue for the Financial Year 2022. Honasa incubated The Derma Co. in 2020 when the active ingredients proposition was relatively nascent in India. Over the last two years, this market has grown exponentially with consumers becoming increasingly aware about the benefits of skincare products with scientific ingredients.

Honasa has grown its revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022, while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13%. Also, as of September 30, 2022, Mamaearth has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch.

Consumer focus

Honasa is a gender-neutral brand with 60:40 women to men buyers. Hence, target segment is wide which includes both men and women.

Among its diverse set of competitors across platforms and brands (incumbents and new-age players), Honasa is uniquely positioned a Digital-first, sizable and fast growing BPC house of brands

Given BPC's under-penetration, very few BPC players have been able to scale. Honasa has been able to scale rapidly by adopting a digital-first approach, leveraging technology and developing a house of brands strategy. Honasa understands evolving consumer preferences and industry whitespaces and are well positioned to benefit from the expected growth in the market.

Honasa has adopted an omni-channel distribution strategy. Honasa has established scale across both online and offline channels and recorded the highest revenue from offline channels among digital-first BPC products companies in India in Financial Year 2022. Honasa has established scale across both online and offline channels and recorded the highest revenue from offline channels amongst digital-first BPC companies in India in Financial Year 2022.

Incumbents and DTC brands have tried to develop an omni-channel strategy, but very few players have been successful. This may be due to lack of the right DNA to achieve omnichannel success, such as a robust technology infrastructure and access to consumer data. Succeeding requires the right mix of agility, technology orientation, strategy and partnership with the right enablers – narrowing down the number of players that are likely to succeed at scale with this approach.

In fact, out of the more than 3,500 BPC companies in present India, there are more than 35 national BPC companies with revenues of at least ₹100 Crore as of the Financial Year 2021. As we further filter these companies with additional parameters, the number of companies thins out rapidly. For instance, out of those companies, there are more than eight companies whose revenues grew more than 30% annually between the Financial Years 2019 to 2021. Out of those more than eight companies, there are two companies with gross profit margins of at least 70% in the Financial Year 2021. Out of these two companies, Honasa is the only company which is not only digital-first but also has a true omnichannel distribution network (at least 15% of the revenue coming from each of online and offline channels), having scaled up presence across both online and offline channels.

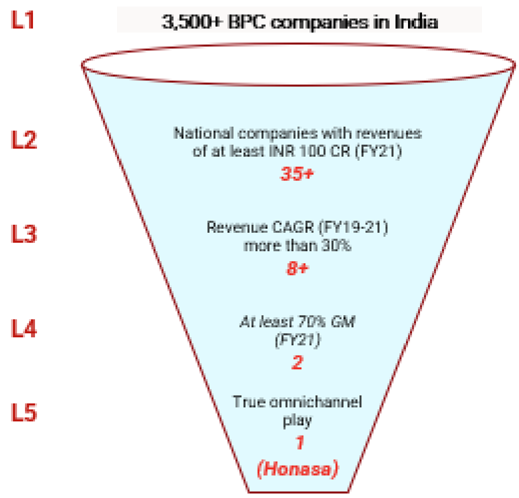


Fig 23. BPC companies in India (2021)
Source(s): RedSeer research and analysis

Further, despite being one of the fastest growing categories across retail, there are very few pure-play BPC players who have scaled significantly in India. Most incumbents are conglomerates which also offer consumer packaged goods, home care, grocery and other retail categories. Gross margins in BPC are among the highest across most sizable retail categories. Therefore, pure-play BPC players have better margins compared to players with portfolio offerings. Honasa ranked second amongst digital-first BPC companies in India in terms of gross profit margins in Financial Year 2021. Also, Honasa was one of the two digital-first BPC companies in India with a positive adjusted EBITDA margin (defined as EBITDA adjusted for a change in fair valuation of preferences shares, share-based payment expenses (equity settled) and share-based payment expenses (cash settled)) in the Financial Year 2021.

Additional TAM:

Beyond BPC, Honasa also addresses the salon services space, which was approximately US$8 billion in size in 2021. It includes salon services for men which was approximately US$2.7 billion in size and services for women which was approximately US$4.2 billion in size in 2021. Additionally, it also includes beauty-spa and beauty-treatments, which were approximately US$1.2 billion in 2021.

The salon services space is an under-penetrated market and has been growing fast. Between 2016 and 2021, the market has doubled from US$4 billion to US$8 billion. This was driven by proliferation of branded salons across city tiers, increased consumer exposure to new styles and treatments and their willingness to pay a premium for these treatments. The growth momentum is strong and by 2026, the market is projected to be US$15-20 billion.

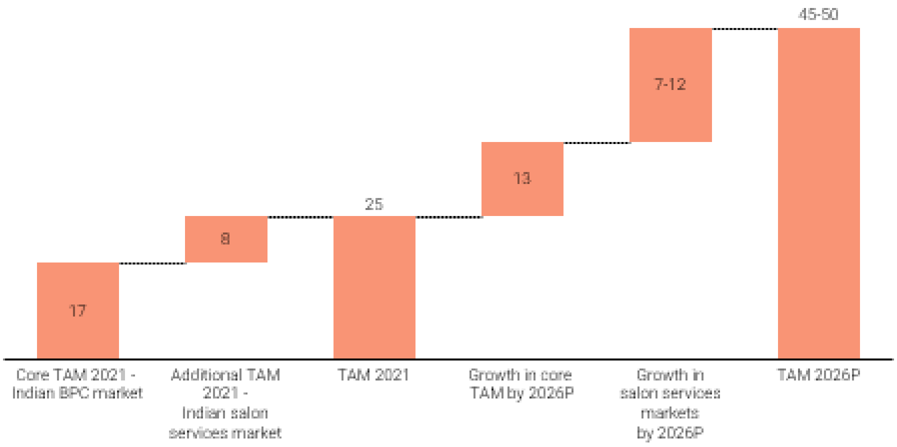


Fig 24. Honasa's TAM in US$billion (2021, 2026P)
Source(s): Redseer research and analysis

Claims validated

- As of September 30, 2022, Mamaearth has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch.
- Honasa is the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022.
- Mamaearth is the largest brand in the DTC BPC market in India in terms of revenue generated from the DTC channel in Financial Year 2022.
- Honasa ranked second amongst the digital-first BPC companies in India in terms of gross profit margins in the Financial Year 2021.
- Honasa was one of the two digital first BPC companies in India with a positive adjusted EBITDA margin (Adjusted EBITDA margin is calculated as restated profit/ loss for the period/year plus tax expense, finance cost, depreciation and amortization expenses, change in fair valuation of preference shares, share based payment expenses (equity settled) and share based payment expenses (cash settled), less other income, divided by revenue from operations) in the Financial Year 2021.
- Honasa has established scale across both online and offline channels and recorded the highest revenue from offline channels amongst digital-first BPC companies in India in Financial Year 2022.
- Honasa launched at least 2.6 times higher number of new SKUs than the BPC industry median during Financial Year 2022.
- Mamaearth, with the insight of providing traditional DIY beauty ingredients in modern and convenient formats has become the market leader in onion and ubtan based beauty products in terms of revenue from operations from these ranges for the Financial Year 2022. Further, in a short span of six years, Mamaearth has captured an approximately. 3.8% market share in the face-wash category in India in terms of revenue from operations for the Financial Year 2022.
- Out of the more than 3,500 BPC companies in present India, there are more than 35 national beauty and personal care companies with revenues of at least ₹100 Crore as of the Financial Year 2021. As we further filter these companies with additional parameters, the number of companies thins out rapidly. For instance, out of those companies, there are more than eight companies whose revenues grew more than 30% annually between the Financial Years 2019 to 2021. Out of those companies, there are two companies with gross profit margins of at least 70% in the Financial Year 2021. Out of those two companies, Honasa is the only company which is not only Digital-first but also has a true omnichannel distribution network (at least 15% of the revenue coming from each of online and offline channels), having scaled up presence across both online and offline channels.
- Mamaearth is among the top three best-selling brands across six BPC sub-categories on Amazon.in as on August 10, 2022.
- Mamaearth was India's most-searched BPC brand on Google Trends between January 2020 and November 2022.
- Honasa has grown its revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022, while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13%.
- Millennials in India are becoming increasingly conscious of their BPC needs and the brands they consume. Moreover, they are also more acutely oriented towards new-age innovations that cater to their specific needs and preferences, as compared to mass market propositions that cater to more mainstream or functional need spaces.
- Honasa incubated The Derma Company in 2020 when the active ingredients proposition was relatively nascent in India. Over the last two years, this market has grown exponentially with consumers becoming increasingly aware about the benefits of skincare products with scientific ingredients.
- Sale of BPC products through offline channels tends to be more profitable as compared to online channels.
- Millennials are increasingly being driven to brands that are built on a strong mission or purpose, as compared to brands that primarily cater to functional need spaces.
- Millennials are most influenced by other millennials, with word of mouth and voices of key opinion leaders and influencers emerging as key sources of driving brand awareness and consideration.
- The tastes, preferences, and habits of each millennial and/or generation-Z are different. So there is no single definition

of a millennial or a generation-Z consumer.

- The offline channel contributed to 85% of the BPC products market in India in 2021 in terms of revenues.
- The future of BPC products lies not only with large platform brands but also with new age propositions and categories which cater to specific consumer need spaces.
- Honasa has a market share of 5.3% in online BPC (DTC + eTailing) for Calendar Year 2021.
- Honasa has a market share of 26.4% in DTC BPC for Calendar Year 2021.
- Honasa market share of 3.4% in eTailing BPC for Calendar Year 2021.
- Mamaearth was India's largest digital-first BPC brand in India in terms of revenue in Financial Year 2022.
- Mamaearth has been ranked amongst the top three in terms of awareness in the grooming category on Flipkart between May 2021 and November 2022.
- Honasa is the only BPC company in India with at least ₹100 Crore of revenue and at least 70% gross profit margin in Financial Year 2021, with revenue growth of more than 30% annually between Financial Years 2019-21, and a true omnichannel distribution network.

Glossary

- BPC company peer set:
    - BPC Company – Defined as BPC products company having revenue of more than INR 100 Cr and a contribution of more than 25% to the overall revenue in financial year 2022
    - Digital-first BPC Company – Defined as BPC products company having revenue of more than INR 100 Cr in Financial year 2022 with at least 60% of the revenue coming from online channels
- City classification
    - Metros – Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Kolkata and Pune
    - Tier 1 – Other Indian cities with populations of at least 1 million
    - Tier 2+ – Rest of urban areas as classified by the Census, 2011
    - Rural – Areas not classified as urban by Census, 2011
- Age classification
    - Millennial – Anyone between the age group 26–40 years
    - Generation z – Anyone between the age group 9–25 years
- Women participation in service sector – Ratio of the number of women in service sectors by the total number of women in the workforce (aged 15+)
- Digital–first brands – Brands which make at least 60% of their gross merchandise value from online channels
- Gross merchandise value – Total value of goods sold by any entity
- Key opinion leaders – A person promoting products and/or services on social media
- Total Addressable Market – It is the total market size of the BPC market in India and the salon services market in India
- Estimations involved – We have made the following estimations for some players where relevant data were not publicly available for peer benchmarking:
    - Revenue from operations for the Financial Year 2022;
    - New SKU launches during the Financial Year 2022, based on scanning of secondary sources such as internet archive and newspaper reports (including company communications); and
    - Proportion of revenue from products containing specific ingredients (Onion and Ubtan) for the Financial Year 2022, based on scanning of secondary sources like internet archive, product portfolios of companies and proportion of products containing the said ingredients, and newspaper reports (including company communications).

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 22 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 35 for a discussion of certain risks that may affect our business, financial condition, or results of operations, "Restated Ind AS Summary Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 201 and 290, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Draft Red Herring Prospectus, each of which is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP. Furthermore, such measures and indicators are not defined under Ind AS, IFRS, U.S. GAAP or other accounting standards, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under such accounting standards. In addition, such measures and indicators, are not standardized terms, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating our operating performance.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Report on Beauty and Personal Care Market in India" dated December 2022 (the "RedSeer Report"), prepared and released by RedSeer Management Consulting Private Limited ("**RedSeer**"), which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated July 7, 2022, for the purpose of understanding the industry in connection with this Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant financial year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, RedSeer Management Consulting Private Limited (RedSeer), which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer" on pages 54 and 19, respectively.*

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2022 and the financial years ended March 31, 2020, 2021 and 2022 included herein is derived from the Restated Ind AS Summary Statements included in this Draft Red Herring Prospectus. For further information, see "Restated Ind AS Summary Statements" and "Risk Factors — Internal Risk Factors — In this Draft Red Herring Prospectus, we have compared consolidated financial information as of and for the year ended March 31, 2022 with our standalone financial information as of and for the year ended March 31, 2021 and for the year ended March 31, 2020. These periods are not comparable to each other" on pages 201 and 47, respectively. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" in relation to Financial Year 2022 and the six months period ended September 30, 2022 are to Honasa Consumer Limited together with its subsidiaries as at or during the relevant period/year on a consolidated basis, and in relation to Financial Years 2020 and 2021 are to Honasa Consumer Limited on a standalone basis.

OVERVIEW

We are the largest digital-first beauty and personal care ("**BPC**") company in India in terms of revenue from operations for the Financial Year 2022 *(Source: RedSeer Report)*. Since our inception, we have worked with the primary objective of developing products that address beauty and personal care problems faced by consumers. For instance, our flagship brand, Mamaearth, is built to service a core customer need for safe-to-use, natural products, and focuses on developing toxin-free beauty products (as defined below) made with natural ingredients. According to the RedSeer Report, as of September 30, 2022, Mamaearth has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch.

Since launching Mamaearth in 2016, we have added five new brands to our portfolio, namely The Derma Co., Aqualogica, Ayuga, BBlunt and Dr. Sheth's, and have built a 'House of Brands' architecture. As of September 30, 2022, our portfolio of brands with differentiated value propositions includes products in the baby care, face care, body care, hair care, color cosmetics and fragrances segments.

Our success with Mamaearth and our ability to identify and cater to emerging trends has enabled us to develop repeatable brand building playbooks that have helped in scaling our newer brands at a fast pace. These playbooks are powered by our consumer-centric approach across various aspects of our business model, including our innovation engine, our digital-first omni-channel distribution, and our technology and data-driven marketing and consumer engagement model.

The graphic below provides a brief overview of our brands:

Additionally, we continuously seek to connect better with our consumers and strengthen our brand equity by building 'purpose-driven' brands that are associated with environmental and social impact causes. For instance, through the Mamaearth 'Plant Goodness' initiative, we work with a non-government organisation to plant trees for orders placed on our direct-to-consumer ("**DTC**") platform and share geo-tagged images of these trees with our consumers. Similarly, The Derma Co. is associated with a 'Young Scientists' program wherein children in certain rural parts of India are provided with access to education in science, and Aqualogica is associated with a 'Fresh Water for All' initiative wherein we help enable access to clean drinking water for marginalized communities.

Our focus on building thoughtfully designed and purpose driven brands has helped cultivate trust, brand resonance and affinity amongst our consumers and has enabled us to grow our business, as demonstrated by the following:

- We have grown our revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022 (from ₹1,097.84 million in Financial Year 2020 to ₹9,434.65 million in Financial Year 2022), while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13% (Source: *RedSeer Report*).

- Mamaearth is the largest brand in the DTC BPC market in India in terms of revenue generated from the DTC channel in Financial Year 2022 (Source: *RedSeer Report*). During Financial Year 2022 and the six months period ended September 30, 2022, 43.15% and 52.37% of our revenue from operations from this channel (for our Mamaearth brand) was attributable to existing customers, respectively.

- We had a market share of 5.3% in the online BPC market (i.e. DTC and eTailing) in India in calendar year 2021 and a market share of 26.4% in the DTC BPC market in 2021 (Source: *RedSeer Report*).

- Mamaearth was India's most-searched BPC brand on Google Trends between January 2020 and November 2022 (Source: *RedSeer Report*).

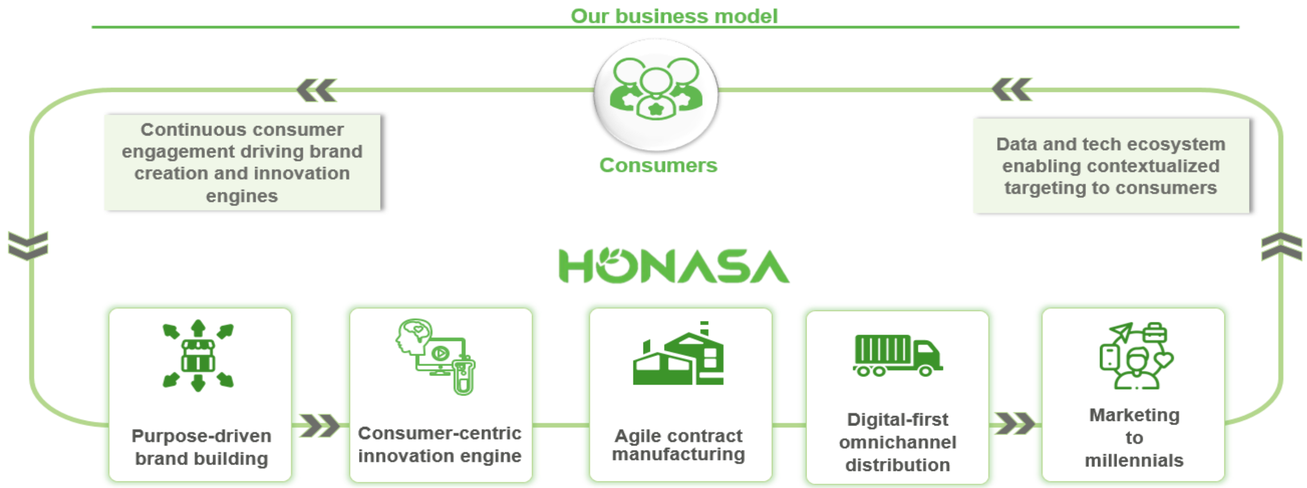
- Mamaearth was ranked amongst the top three in terms of awareness in the grooming category on Flipkart between May 2021 and November 2022 (Source: *RedSeer Report*).

We have built our business by focusing on driving profitable unit economics, as demonstrated by the following (Source: *RedSeer Report*):

- We were ranked second amongst digital-first BPC companies in India in terms of gross profit margins in Financial Year 2021.

- We were one of the two digital-first BPC companies in India with a positive adjusted EBITDA margin (defined as EBITDA adjusted for a change in fair valuation of preferences shares, share based payment expenses (equity settled) and share based payment expenses (cash settled)) in Financial Year 2021.

Our success is driven by our differentiated business model that is built upon principles of consumer centricity, agility, and technology, as depicted in the graphic below:



Brand Building and Product Innovation

We have developed a range of tools and capabilities that enable us to engage with our consumers and generate insights into new and emerging trends in the BPC market in India. Our consumer insights-led product innovation engine is an integral part of our business model and helps us conceptualize and develop new brand concepts, new products and new product ranges. We introduced 159 and 225 new SKUs in the BPC market in India during Financial Year 2022 and during the six months period ended September 30, 2022, respectively, which contributed to a 42.17% and 44.12% absolute increase in revenue from operations during the period, respectively, as compared to the preceding corresponding period.

We have a dedicated in-house innovation team, consisting of 45 members, as on September 30, 2022, that drives end-to-end ideation and execution of new products launches. This team collaborates with large ingredient suppliers to co-create formulations. For manufacturing, we have set up an asset-light contract manufacturing model that gives us the benefit of economies of scale at small batch sizes while also providing the flexibility to scale up production as needed.

Distribution

We make our products available to our customers through omni-channel distribution networks across both online and offline touchpoints. We strategically leverage our presence on online channels (both DTC platforms and e-commerce marketplaces) during the early stages of a brand or products lifecycle to generate trials amongst early adopters, engage with consumers directly and test for product market fit. Once a product or brand reaches a mature stage, we selectively introduce such products and brands in offline stores to drive penetration amongst a larger consumer base. This digital-first approach in our distribution strategy enables us to incorporate valuable customer feedback across new product launches and thereby efficiently scale new products. Moreover, we actively leverage insights on consumer preference from our DTC channel at a pin-code level to define our offline store expansion strategy and our merchandising and portfolio rationalization strategy. We have established scale across both online and offline channels and recorded the highest revenue from offline channels among digital-first BPC companies in India in Financial Year 2022 (Source: *RedSeer Report*).

Marketing

We have adopted a data-led contextualised marketing strategy to drive consideration and purchase for our brands and products. We leverage data-driven insights to develop meaningful and authentic content for our consumers not only through our own in-house studio but also through a community of influencers on digital platforms. Further, we leverage our data ecosystem to attempt to understand consumers across demographic, behavioural, and transactional variables. We utilize this data to segment our user base into micro-cohorts and deliver a more personalized user experience based on consumer's specific needs and preferences.

Our sharp focus on the BPC category coupled with our strengths in brand building, innovation, distribution, and marketing have positioned us well and enabled us to establish a strong presence in the Indian BPC market.

Operating and Financial Metrics

A list of operating and financial metrics for the six months period ended September 30, 2022 and Financial Years 2022, 2021 and 2020 is set out below:

Metric	Unit	As of / for the six months period ended September 30, 2022	As of / for the Financial Years		
			2022	2021	2020
Number of consumer product brands	Number	6	5	2	2
Revenue from operations	₹ in millions	7,227.35	9,434.65	4,599.90	1,097.84
Revenue from online channels	₹ in millions	4,291.15	6,595.34	3,742.93	998.43
	% of revenue from operations	59.37%	69.91%	81.37%	90.94%
Revenue from offline channels	₹ in millions	2,557.62	2,723.38	856.97	99.41
	% of revenue from operations	35.39%	28.87%	18.63%	9.06%
Revenue from services (1)	₹ in millions	378.58	115.93	–	–
	% of revenue from operations	5.24%	1.22%	–	–
Revenue growth	%	N/A	105.11%(11)	319.00%(10)	N/A
Restated profit/(loss) before tax	₹ in millions	91.28	224.39	(13,246.09)	(4,280.26)
Restated profit/(loss)	₹ in millions	36.67	144.43	(13,322.15)	(4,280.26)
Gross Profit (2)	₹ in millions	5,100.18	6,600.26	3,272.84	730.07
Gross Profit Margin (3)	%	70.57%	69.96%	71.15%	66.50%
EBITDA (4)	₹ in millions	139.02	114.59	(13,340.33)	(4,317.14)
EBITDA Margin (5)	%	1.92%	1.21%	(290.01)%	(393.24)%
Adjusted EBITDA (6)	₹ in millions	272.11	302.49	313.64	(71.92)
Adjusted EBITDA Margin (7)	%	3.77%	3.21%	6.82%	(6.55%)
Working Capital Days of Sale (8)	Days	5	(14)	(2)	11
Invested capital in business (9)	₹ in millions	91.24	(812.05)	(16.51)	48.42
Contribution of sales from new SKUs to increase in revenue (12)	%	44.12%	42.17%	39.75%	–
Total current assets	₹ in millions	6,602.74	6,020.49	2,753.40	1,796.33
Total current liabilities	₹ in millions	2,939.62	2,075.97	928.20	247.42
Total assets	₹ in millions	11,558.96	10,350.12	3,026.39	1,810.12

Notes:

(1) *Revenue from Services refers to revenue from sale of services, as recognised in the Restated Ind AS Summary Statements, from content creation and influencer marketing services, hair styling services, franchise services, hair-styling-educational services and listing services.*

(2) *Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods.*

(3) *Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations.*

(4) *EBITDA is calculated as restated profit/(loss) for the period/year plus tax expense, finance cost, depreciation and amortization expenses less other income.*

(5) *EBITDA Margin is the percentage of EBITDA divided by revenue from operations.*

(6) *Adjusted EBITDA is calculated as restated profit/ loss for the period/year plus tax expense, finance cost, depreciation and amortization expenses, change in fair valuation of preference shares, share based payment expenses (equity settled) and share based payment expenses (cash settled), less other income.*

(7) *Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.*

(8) *Working Capital Days of Sale is calculated as Net Working Capital divided by revenue calculated on a daily basis.*

(9) *Invested capital in business is calculated as total business assets less total business liabilities:*
- *Total business assets represent sum of total assets of the company other than Cash and cash equivalents, Bank balances other than cash and cash equivalents, Investments, Fixed deposit with maturity of more than 12 months, and assets acquired through acquisition namely Goodwill, Brand, Design and Formulation, Franchise agreements, Non-compete agreement, and Trademarks.*
- *Total business liabilities represent total liabilities other than liability recognised on account of Non- Cumulative Compulsorily Convertible Preference Shares and bank overdrafts.*

(10) *Denotes increase in revenue from operations from ₹1,097.84 million in financial year 2020 to ₹4,599.90 million in financial year 2021, representing revenue growth of 319.00%.*

(11) *Denotes increase in revenue from operations from ₹4,599.90 million in financial year 2021 to ₹9,434.65 million in financial year 2022, representing revenue growth of 105.11%.*

(12) *Contribution of sales from new SKUs to increase in revenue refers to the contribution of sales from new SKUs to the absolute increase in revenue from operations during the period, over that of the corresponding period of the preceding financial year.*

Our Market Opportunity (Source: *RedSeer Report*)

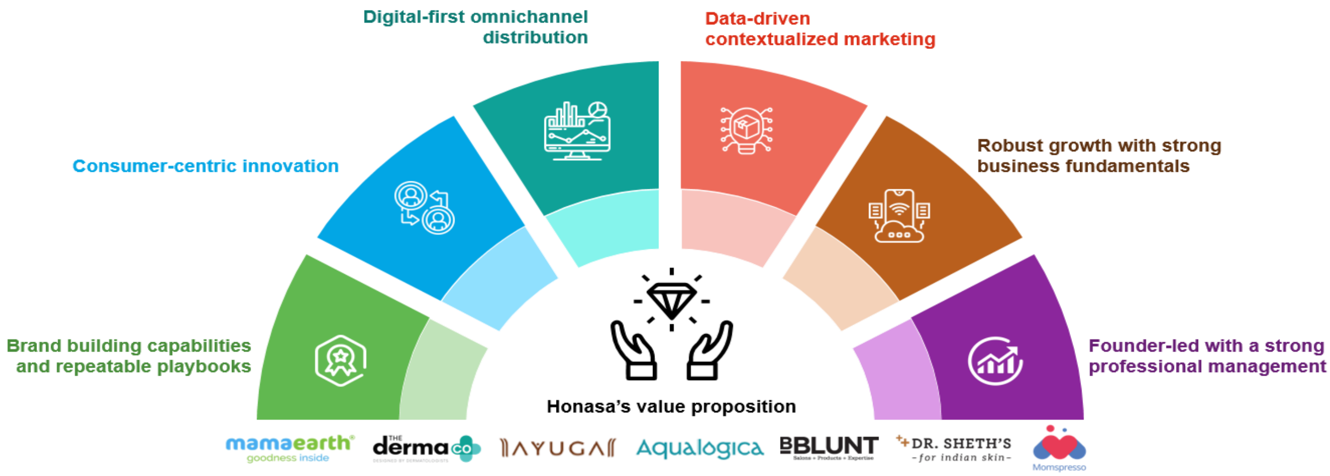
The BPC products market in India is undergoing a fundamental re-industrialization owing to the convergence of technology, demographic dividend, and growing consumer aspirations. Moreover, the market for BPC products in India is expected to grow from approximately $17 billion in 2021 to approximately $30 billion in 2026 at a CAGR of approximately 12%, which is among the highest within the broader retail categories and faster than other retail categories such as food and grocery, jewellery and watches, fashion, consumer electronics, home and living, and pharmacy and wellness in India during this period. India's per capita spend on BPC products is currently one of the lowest in comparison to some of the other developing countries and is at the cusp of growth as GDP per capita nears $2,000, which is a critical inflection point as observed in other developing economies.

There are several consumer behaviour changes that are shaping the Indian BPC market. With increasing incomes and awareness, consumers are increasingly looking for masstige brands. These are the brands that provide higher quality at relatively affordable prices. Consumers are also becoming more brand conscious and are better targeted through social and/or digital marketing. They are more attracted to purpose-driven brands. This phenomenon is not limited to the metro cities, consumers in the tier 2+ cities are also rapidly showing similar preferences. Also, mirroring the BPC markets in the USA and China, evolved regimes in face care and makeup are becoming more prominent in India. Across product categories, consumers are looking for products which solve specific problems as opposed to generic ones.

BPC is one of those categories that lends itself well to digital penetration. The online BPC market, which is currently sized as US$2.5 billion, is expected to grow at 27% annually to be around US$8.4 billion by 2026, translating to an online penetration of 28%. Among the most significant trends driving the online BPC market forward is the disruption led by the digital-first brands, as they are better at catering to the rapidly changing consumer demands. The future of BPC products lies not only with large platform brands but also unique propositions and categories which solve for specific consumer need spaces.

Honasa understands evolving consumer preferences and industry whitespaces and are well positioned to benefit from the expected growth in the market

OUR COMPETITIVE STRENGTHS



Brand building capabilities and repeatable playbooks

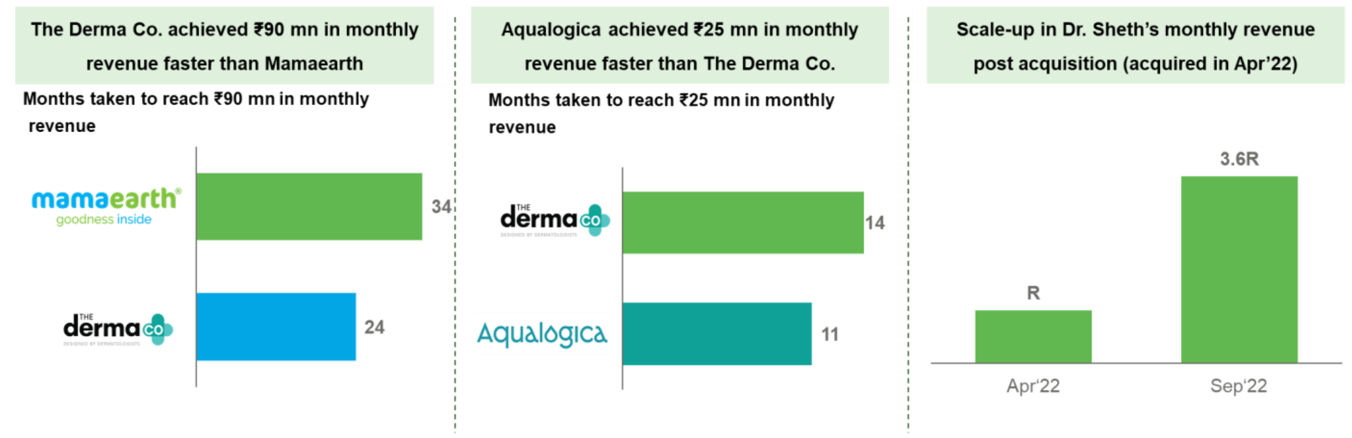
Millennials in India are becoming increasingly conscious of their beauty and personal care needs and the brands they consume (Source: *RedSeer Report*). Moreover, they are also more acutely oriented towards new-age innovations that cater to their specific needs and preferences, as compared to mass market propositions that cater to more mainstream or functional need spaces (Source: *RedSeer Report*). Keeping with our customer centric approach, we have responded to this changing consumer dynamic and have introduced new BPC brands and products in our portfolio over the last six years. According to the RedSeer Report, we launched at least 2.6 times the number of new SKUs than the BPC industry median in Financial Year 2022. This ability to successfully introduce new innovations and conceptualise and build new brands has been and will continue to be critical to our success.

According to the RedSeer Report, as of September 30, 2022, our flagship brand, Mamaearth has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch and was India's largest digital-first BPC brand in terms of revenue in Financial Year 2022. In a short period of time since its launch in 2016, Mamaearth became India's most searched BPC brand on Google Trends between January 2020 and November 2022 (Source: *RedSeer Report*). Additionally, according to the Crownit Survey, an online consumer market research study commissioned by us, Mamaearth was one of the leading brands recalled spontaneously by consumers in the skincare and haircare categories for the period between April 2021 and November 2022.

Our experience and success with Mamaearth helped us develop a brand building playbook that enables us to replicate our success with Mamaearth across newer brands. These playbooks extend from our innovation engine to our distribution strategy to our marketing and customer engagement capabilities. Leveraging these playbooks, we have demonstrated a track record of introducing new brands to the market.

The brands that we launched or acquired after Mamaearth have benefited from these playbooks and have scaled faster than our existing brands, as depicted in the graphic below:

We have leveraged our playbooks to replicate our success in Mamaearth across newer brands



We have set up a dedicated in-house start-up team called "Brand Factory" that closely works with our founders and is responsible for end-to-end ideation, incubation and execution of new brands. This team primarily comprises senior employees who leverage our brand building playbooks to scale new brands in the early stages of their lifecycle. The team actively identifies opportunities to optimize operations for the new brands by capitalizing on synergies from our House of Brands architecture. We believe that this model gives us a competitive advantage over both incumbents and digital-first companies in the BPC market across two key aspects:

- *Our ability to acquire new customers and increase share of wallet from existing customers*
    - Each brand in our portfolio has a differentiated value proposition that enables us to acquire new users with distinct needs and preferences and address any additional requirements of our existing user base.
- *Our ability to launch new brands at low costs*
    - All our support functions (such as procurement, supply chain, finance, human resources) are integrated across our brands, which results in cost efficiencies for new brands introduced by us. For instance, an integrated logistics network across our brands generates the advantage of economies of scale for our new brands.
    - Our integrated in-house research tool User Conversational Research ("**UCR**"), helps generate consumer insights for new brands by leveraging the large communities of our mature brand, Mamaearth.
    - A common and unified technology stack across all our brands helps us to deploy efficient websites and applications for our new brands with minimal expenditure.
    - Our integrated influencer marketing engine enabled by our proprietary technology platform reduces dependence on third party agencies, thereby optimizing costs for new brands introduced by us.

Consumer-centric product innovation

Product innovation powered by our continuous consumer listening and engagement model is a key strength of our business. Over the last six years, we have built multiple tools and capabilities that aim to capture insights into consumer needs and identify whitespaces and consumer trends faster. A summary of our key innovation tools is mentioned below:

- <u>Social Listening:</u> Our in-house social listening and tracking platform enables us to proactively capture consumer sentiments and identify emerging trends and propositions both in India and globally. This has helped us in identifying emerging propositions such as rice water for frizzy hair and green tea for open pores, with product launches in November 2020 and August 2022, respectively.
- <u>Online Competitive Intelligence:</u> Our in-house market research and competitive intelligence platform for e-commerce, enables us to track market share movements across a number of BPC sub-categories and a long range of ingredient spaces and price points. Leveraging this tool, we are able to identify growing BPC sub-categories, ingredients, value propositions and price points that are gaining traction with consumers.
- <u>User Conversational Research (UCR):</u> Our two-way consumer engagement digital platform, UCR, enables us to directly converse with users through quick surveys and polls launched on our own brand websites and apps. It gives us the flexibility to conduct iterative research across all phases of a new product development lifecycle including identification of new product concepts, defining the right formulation and packaging, and developing the right positioning and messaging for each launch. During the six months period ended September 30, 2022, we leveraged UCR to activate 61 consumer studies with 92,587 consumer conversations across all our brands.

This consumer-insights informed product development has helped us focus on new and emerging trends before they become mainstream opportunities and in turn has translated into share gain in key categories and need spaces. For instance, Mamaearth, with the insight of providing traditional "DIY" beauty ingredients in modern and convenient formats has become the market leader in onion and *ubtan*-based beauty products in terms of revenue from operations from these ranges for the Financial Year 2022 (Source: *RedSeer Report*). In a short span of six years, Mamaearth has captured an approximately 3.8% market share in the face-wash category in India in terms of revenue from operations for the Financial Year 2022 (Source: *RedSeer Report*). Similarly, we incubated The Derma Co. in 2020 when the active ingredients proposition was relatively nascent in India (Source: *RedSeer Report*). According to the RedSeer Report, over the last two years, this market has grown exponentially with consumers becoming increasingly aware about the benefits of skincare products with scientific ingredients.

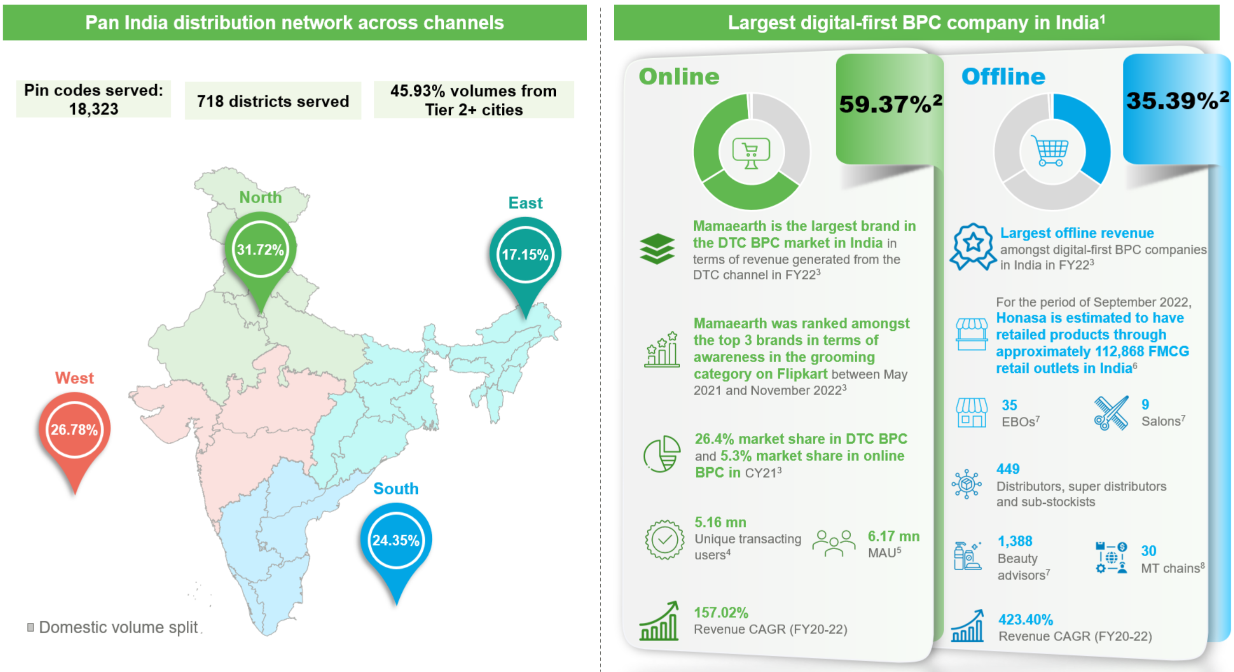
All new products are designed and developed by our in-house innovation team of 45 members, as on September 30, 2022, led by our co-founder and Chief Innovation Officer, Ghazal Alagh. We have dedicated innovation centres in Gurugram and Thane to develop new formulations and propositions in line with consumer insights. We also engage with large third-party ingredient suppliers to identify emerging innovations and co-create new products. For manufacturing, we have set up an asset-light model enabled with contract manufacturing. During the six months period ended September 30, 2022, we worked with 37 contract manufacturers to produce products. Contract manufacturing gives us the benefit of economies of scale at small batch sizes while providing the flexibility to scale up production as needed. We require our contract manufactures to adhere to stringent quality control standards and conduct regular checks at our own warehouses to ensure compliance.

Our innovation and manufacturing ecosystem has helped us reduce time to launch new products and has resulted in 159 and 225 new SKUs in the BPC market in India during Financial Year 2022 and during the six months period ended September 30, 2022, respectively, which contributed to a 42.17% and 44.12% absolute increase in revenue from operations during the period, respectively, as compared to the preceding corresponding period.

Digital-first omnichannel distribution

Our omnichannel network allows us to be present across various touchpoints and serve our consumers wherever they shop. Our distribution model is led by our digital presence (DTC and e-commerce marketplaces), from which we derived ₹6,595.34 million and ₹4,291.15 million of revenue, accounting for 69.91% and 59.37% of our total revenue from operations from all our brands during the Financial Year 2022 and the six months period ended September 30, 2022, respectively.

According to the RedSeer Report, we have established scale across both online and offline channels and recorded the highest revenue from offline channels among digital-first BPC companies in India in Financial Year 2022.



Note: CY – Calendar year ended December 31; FY – Financial Year ended March 31; DTC – Direct-to-consumer; e-com – ecommerce; H1 – first half of financial year; All metrics are for H1FY23 unless specified;
[1] For FY22; [2] Revenue split – H1FY23 – excludes revenue from services – 5.24% of total revenues; [3] Source: RedSeer; [4] From April 2019 to September 2022; [5] For the six months period ended September 30, 2022; includes MAU for Mamaearth websites and mobile application; [6] Source: NielsenIQ; [7] As of September 30, 2022; [8] MT chains – Modern Trade retail chains

We have adopted a digital-first approach to our distribution strategy wherein we first incubate new brands on our online channel, and then selectively introduce them in the offline channel. The strategic role of each of our online channel and offline channel during a brand's life cycle is elaborated below:

Online channel

Our new to early-stage brands are incubated in our online channel with the key objective of acquiring new users and generating trials amongst early adopters of these brands. We leverage the online channel to (i) test product market fit by capturing early feedback from consumers on brand proposition, positioning, packaging and performance; (ii) capture valuable consumer insights across purchase behaviour, product preferences, and need-spaces; and (iii) generate customer affinity by providing a personalized and engaging brand experience for consumers.

Offline channel

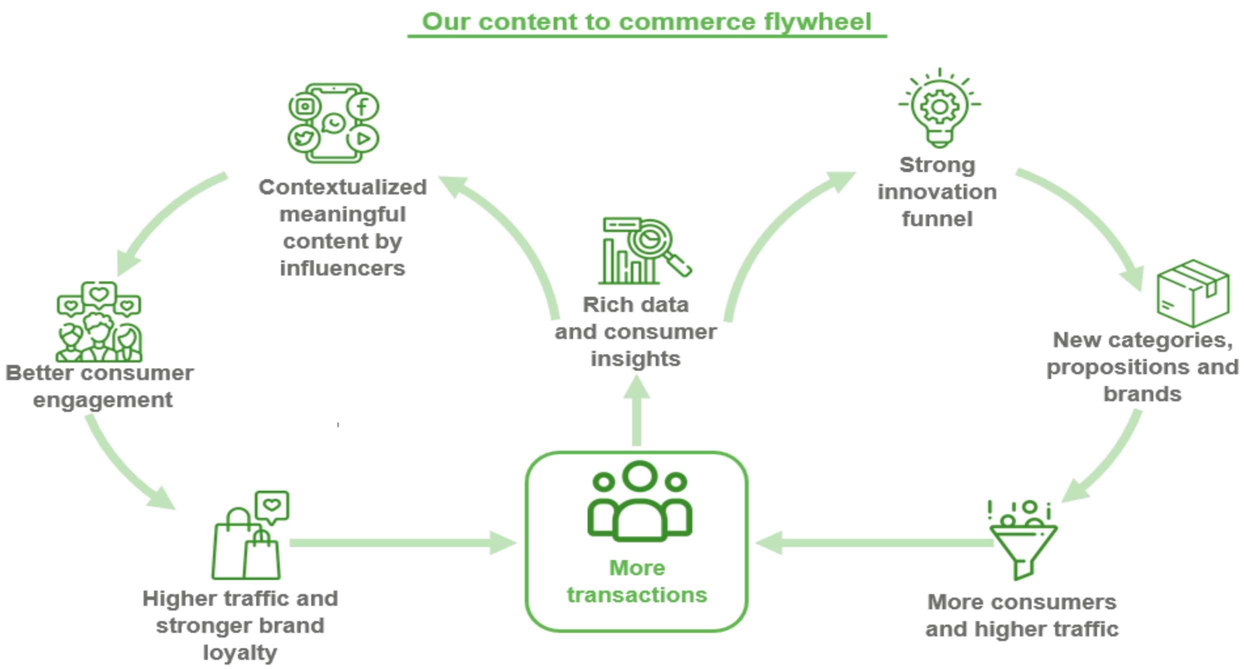
Once a brand achieves a certain scale and customer acceptance online, we selectively introduce products from the brand into our offline channel with the key objective of driving household penetration. Our offline channel is leveraged to (i) increase consumer reach by making products accessible to a larger consumer base; (ii) improve profitability for the brand given that the sale of BPC products through offline channels tends to be more profitable as compared to online channels (Source: *RedSeer Report*); and (iii) improve brand image through specialized offline formats such as exclusive brand outlets (EBOs) and professional salons where we seek to deliver a more personalized experience to our consumers. Moreover, recommendations from beauty advisors or trained stylists at such outlets and salons contribute towards building trust amongst consumers.

Our digital-first distribution strategy helps us launch new products in an efficient manner by enabling us to capture consumer feedback to check for product-market fit at an early stage before scaling them up in a much larger offline environment. We actively leverage insights on consumer preference from our DTC platform at a pin-code level to define our offline store expansion and regional prioritization strategies. This data is further leveraged to optimize our merchandising and portfolio rationalization strategies at a micro-market level.

Data-driven contextualized marketing

We have adopted a marketing model through which we activate consumer engagement initiatives across multiple media platforms and channels. With a combination of digital and traditional marketing, we deliver a consistent narrative about our brands and their proposition across all touch points relevant for our consumers. Through these initiatives, we aim to target consumers across the entire marketing funnel from creating awareness to driving consideration and conversion for our brands.

Our marketing capabilities are reflected in our content-community-commerce framework that enables us to deploy contextualized data-led marketing to our consumers. We have leveraged our extensive data libraries to segment consumers into micro-cohorts to drive contextualized nano targeting and engagement. This has led to better consumer engagement, larger conversion funnels and transactions that further strengthens our data capabilities, creating a flywheel effect as shown below:



- **Content**: According to the RedSeer Report, millennials are most influenced by other millennials and respond better to content that is meaningful and contextualized to their specific needs and preferences as compared to traditional content formats that are based on brand or product pitches. In line with this insight, we have created an in-house Content and Creative Excellence (CCE) team that leverages our wealth of consumer data to develop educational and engaging content that is relevant for our consumers. Having this in-house team helps us develop innovative content in a timely manner and permits scope for greater experimentation. Moreover, our content creation capabilities have been further strengthened by our acquisition of Momspresso that has enabled access to a large and ready library of relevant content for our consumers.

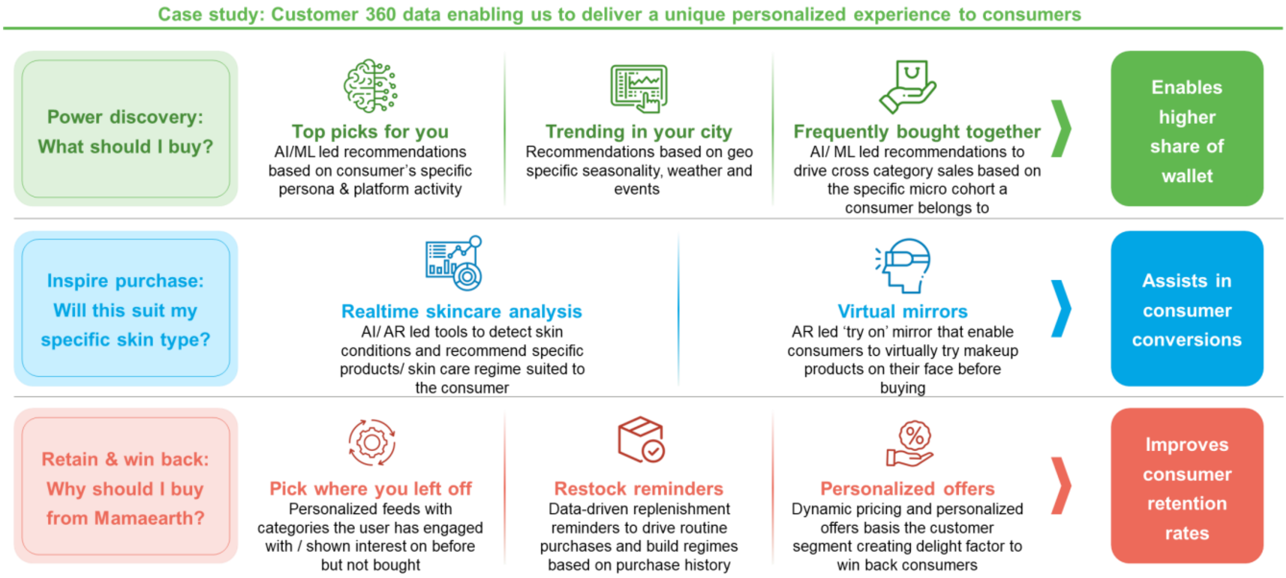
  Our content strategy focuses on educating users about latest beauty regimes, ingredients' benefits, product usage, amongst others. Additionally, we proactively communicate our brand purpose to our consumers in the form of our environmental or social impact initiatives. According to the RedSeer Report, millennials are increasingly being driven to brands that are built on a strong mission or purpose, as compared to brands that primarily cater to functional need spaces. Our ethos of incubating purpose-driven brands that are committed towards environmental or societal goals has helped us connect with our target consumers better. Moreover, our ability to integrate technology with our purpose driven initiatives such as geo-tracking of the trees planted under our Plant Goodness initiative enables visibility and transparency for our consumers and strengthens trust.

- **Community**: According to the Redseer Report, millennials are most influenced by other millennials, with word of mouth and voices of influencers emerging as key sources of driving brand awareness and consideration. With this outlook, we have proactively developed a highly engaged community of influencers across social media platforms. During the Financial Year 2022 and six months period ended September 30, 2022, we worked with 2,915 and 3,958 influencers, respectively. Over time, we have been able to scale and drive efficiencies in our influencer marketing capabilities through the following tools:

  - Our proprietary machine learning based influencer management tool helps us discover, target, and manage relevant social media influencers.

  - The MyMoney platform on Momspresso provides us with enhanced influencer marketing capabilities by enabling ready access to a community of content creators and micro-influencers.

- **Commerce**: According to the RedSeer Report, the tastes, preferences and habits of each millennial or generation-Z consumer are different. As a result, there is no single definition of a millennial or a generation-Z consumer. In order to reach target consumers, through our data warehouse, we capture customer data across demographic, behavioural, and transactional variables and leverage this data to segment our user base into micro-cohorts and power our personalization engine on our direct-to-consumer platform. Through this engine, we seek to deliver a differentiated and more meaningful user experience to our consumers, as depicted in the graphic below:



Note: AI - Artificial Intelligence; ML - Machine Learning; AR - Augmented Reality

Our consumer engagement and marketing capabilities have translated into a strong retention funnel for our Mamaearth brand with 43.15% and 52.37% of our revenue from operations for our Mamaearth brand from the DTC channel being attributable to existing customers during Financial Year 2022 and the six months period ended September 30, 2022, respectively.

Ability to drive growth and profitability in a capital efficient manner

We are the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022 (Source: *RedSeer Report*). We have grown our revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022 (from ₹1,097.84 million in Financial Year 2020 to ₹9,434.65 million in Financial Year 2022), while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13% (Source: *RedSeer Report*). Moreover, our growth has been driven by increase in volumes. For the Financial Year 2022 and the six months period ended September 30, 2022, our number of units delivered (across all our brands) was 45.02 million and 36.43 million, growing by 143.30% and 61.81% in such period, respectively. While we continue to focus on growing our business, we are focused on driving profitable unit economics. This has translated into an efficient business model and we were ranked second amongst digital-first BPC companies in India in terms of gross profit margins in Financial Year 2021 (Source: *RedSeer Report*). We were one of the two digital-first BPC companies in India with a positive adjusted EBITDA margin (defined as EBITDA adjusted for a change in fair valuation of preferences shares, share based payment expenses (equity settled) and share based payment expenses (cash settled)) in Financial Year 2021. (Source: *RedSeer Report*).

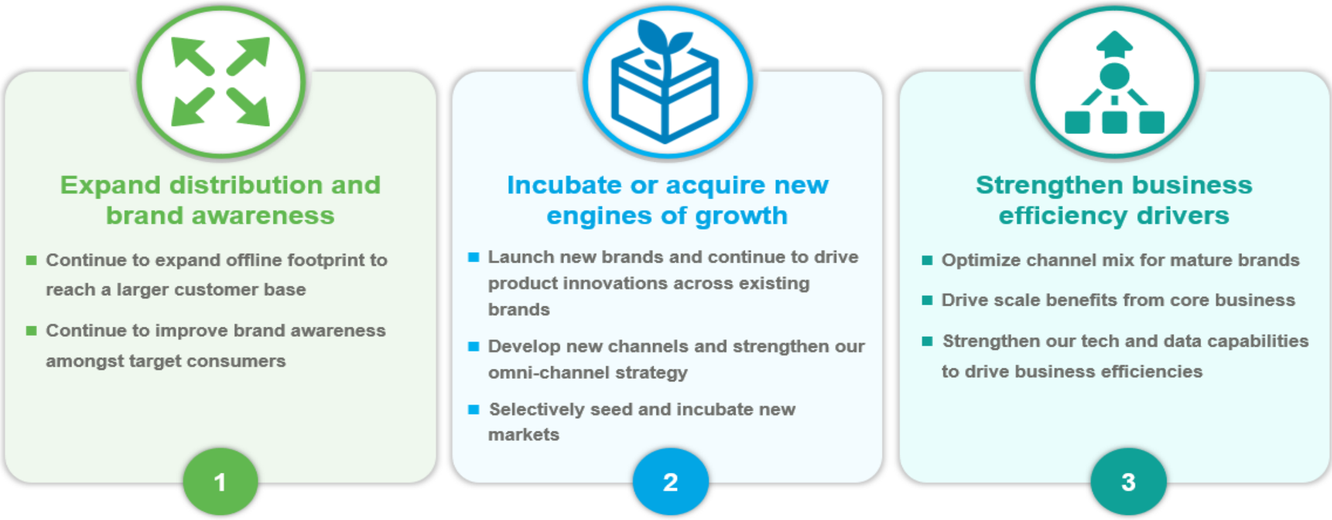
We have strategically built an asset-light scalable business model by developing in-house capabilities for strategic functions such as technology, product innovation and marketing while outsourcing other operations such as manufacturing, as indicated by our restated profit before tax of ₹224.39 million and ₹91.28 million, and our invested capital in business of ₹(812.05) million and ₹91.24 million, for the Financial Year 2022 and the six months period ended September 30, 2022, respectively.

Founder-led company with a strong professional management

Our organization is led by our visionary founders, Varun Alagh (CEO) and Ghazal Alagh (CIO). Prior to founding our Company, Varun worked across marquee companies in India such as Hindustan Unilever Limited, Diageo India Private Limited and Coca-Cola India Private Limited. Ghazal worked with NIIT and operated dietexpert.in, an independent commercial operation. Ghazal has been associated with our Company as a promoter and director since September 16, 2016. Together, their knowledge and understanding of the consumer packaged goods and BPC products space in India has been instrumental in developing and growing our business.

Our founders are complemented by a professional leadership team with a combined experience of over 100 years across consumer packaged goods, e-commerce and DTC companies in India. This team is governed and advised by a board of directors comprising of reputed individuals with extensive experience in consumer businesses. Additionally, we have been funded by marquee investors such as SCI, Stellaris, Sofina, Evolvence India Fund III Ltd, Evolvence India Coinvest PCC, invested through its Cell E and Fireside Ventures Fund, who continue to guide us on strategic initiatives. The shared vision and value system of this team makes us well placed to execute our future plans and ambitions.

OUR STRATEGIES



Expand distribution and brand awareness

Continue to improve brand awareness

Over the last six years, we have a built a large base of consumers across our brands and aim to continuously acquire new users to drive growth. We intend to continue to invest in innovative brand building and performance marketing initiatives to drive awareness and generate trials for our brands. We intend to focus on deploying a holistic marketing strategy across digital, social, and traditional platforms and actively leverage our differentiated content, community, and commerce flywheels to improve our reach and drive effective engagement to acquire new consumers. Moreover, to support our offline expansion plans, we intend to differentially focus on other modes of advertising, including television advertising, to reach and target a larger consumer base. For further details on the use of Offer Proceeds, see "*Objects of the Offer*" on page 98.

Continue to expand offline footprint in general and modern trade retail channels to reach a larger customer base

The offline channel contributed to 85% of the BPC products market in India in 2021 in terms of revenues (Source: *RedSeer Report*). Given the size of this channel, it is critical for us to continue to strengthen our offline channel to reach our target consumers. We intend to strategically leverage the offline channel to drive household penetration for mainstream BPC categories such as shampoo, hair oil and face washes.

Between Financial Years 2020 and 2022, we have grown our offline channel over 27 times, and according to NielsenIQ's Retail Measurement System, for the period of September 2022, we are estimated to have retailed products through 112,868 FMCG retail outlets in India.

We intend to focus on increasing sales from these outlets in the medium term by developing relevant consumer and retailer loyalty and engagement programs. Additionally, we intend to continue expanding our store footprint with a focus on adding new high-value retail outlets across both existing and new cities and towns in India.

Incubate or acquire new engines of growth

Launch new brands and continue to drive product innovations across existing brands

- Launch or acquire new brands: We intend to incubate or acquire new brands across new value propositions and price points. We intend to continuously leverage our House of Brands architecture and brand launch playbooks to derive both revenue and cost synergies for the new brands.

- Innovative product launches in existing categories: We intend to continuously strive to gain market share in our existing categories by driving innovations across new ingredients, new propositions, and new product formats.

- Enter new categories: We intend to continue to expand our portfolio across the full spectrum of BPC categories by further penetrating into adjacent categories such as color cosmetics and fragrances.

- New age innovation: The future of BPC products lies not only with large platform brands but also unique propositions and categories which cater to specific consumer need spaces (Source: *RedSeer Report*). Hence, we intend to continue investing in identifying whitespaces and building new age brands and propositions today which may become larger opportunities tomorrow.

Develop new channels and strengthen our omni-channel strategy

- Expand EBO footprint: We intend to open new Mamaearth EBOs across a mix of mall stores and high-street outlets in India. We intend to leverage this channel to curate a richer brand experience for our consumers and deepen engagement with them in the offline retail environment. We also intend to use our EBO channel to further develop strategic categories such as color cosmetics that require a more personalized service and experience to facilitate purchase conversion.

- Expand our professional salon channel: Our acquisition of BBlunt in March 2022 has enabled us to access the professional salon channel. By delivering a personalized experience at these salons with recommendations from trained stylists, we have been able to build trust amongst consumers which has strengthened brand equity for our products. This channel is expected to provide us with a ready base of consumers to generate trials and will provide the ability to acquire new consumers, not only for BBlunt but also for other brands in our portfolio. Going forward, we intend to expand our salon footprint and build on these positive synergies for our products business.

  For further details on the use of Offer Proceeds towards our proposed in investment in BBlunt to set up new salons of BBlunt, see "*Objects of the Offer — Details of the Objects — Investment in our Subsidiary, BBlunt, for setting up new salons*" on page 102.

Selectively expand into new markets

- While India is and will continue to be our focus market in the medium term, we intend to opportunistically expand our presence in identified priority markets such as the United Arab Emirates, Nepal, and Bangladesh, both organically and through strategic acquisitions. We have identified these markets based on a host of considerations including our understanding of the size and competitive intensity of the market, existing brand awareness and potential resonance for our brand propositions, and our ability to replicate our brand building playbooks in these markets.

  For further details on the use of the Offer Proceeds towards unidentified inorganic acquisitions, see "*Objects of the Offer — Details of the Objects — General corporate purposes and unidentified inorganic acquisitions*" on page 104.

Strengthen business efficiency drivers

Optimize channel mix for our flagship brand, Mamaearth

- In line with our distribution strategy, we intend to continue driving growth for our flagship brand, Mamaearth, in the offline channel. Our share of revenue from operations from the offline channel across all our brands has increased from 9.06% (₹99.41 million) during the Financial Year 2020 to 35.39% (₹2,557.62 million) in the six months period ended September 30, 2022. Going forward, we intend to continue to grow our share of business from the offline channel. Given that the sale of BPC products through offline channels tends to be more profitable as compared to online channels (Source: *RedSeer Report*), expansion into offline channels will help improve the overall margin profile of our business. See "*Our Competitive Strengths – Digital-first omnichannel distribution*" for details on our distribution strategy.

Drive scale benefits from core business

- As our business scales, we intend to proactively work towards deriving further benefits of economies of scale across all aspects of our business model, including procurement and manufacturing, supply chain and distribution, advertising and promotional expenses, and operating expenses. Between Financial Years 2020 and Financial Years 2022, our gross profit margins improved by 3.46% from 66.50% to 69.96%, respectively. For details, "— *Overview —Operating and Financial Metrics*" on page 141. This is driven by economies of scale which has contributed to lower procurement costs, specifically for our key ingredient ranges such as onion and *ubtan* for our flagship brand, Mamaearth.

Strengthen our technology and data capabilities to drive business efficiencies

We intend to continue to invest in our technology and data capabilities to drive business efficiencies, stay connected with our consumers and strengthen cross-brand, cross-functional synergies. We intend to further refine our personalization engine to deliver a more tailored, contextualized experience to our users, deepen brand connect and drive consumer retention and repeat. Further, we intend to actively leverage our House of Brands architecture to identify opportunities to improve cross-brand targeting and thereby reduce cost of acquisition for newer brands and increase customer lifetime value at a company level. For instance, in June 2022, we launched an integrated sampling platform, YOTO Box, to enable us to generate trials across brands in our portfolio and drive cross-selling, with the aim of capturing a higher share of wallet and customer lifetime value at a company level in the future.

DESCRIPTION OF OUR BUSINESS

We are the largest digital-first BPC company in India in terms of revenue from operations for the Financial Year 2022 (Source: *RedSeer Report*). We have built a 'House of Brands' architecture with a portfolio of six brands in the BPC space. Over the last six years of our journey, our success with Mamaearth has enabled us to develop repeatable brand building playbooks that have helped us in scaling our newer brands at a fast pace. These playbooks are powered by our consumer-centric approach across various aspects of our business model, including our innovation engine, our digital-first omni-channel distribution, and our technology and data-driven marketing and consumer engagement model.

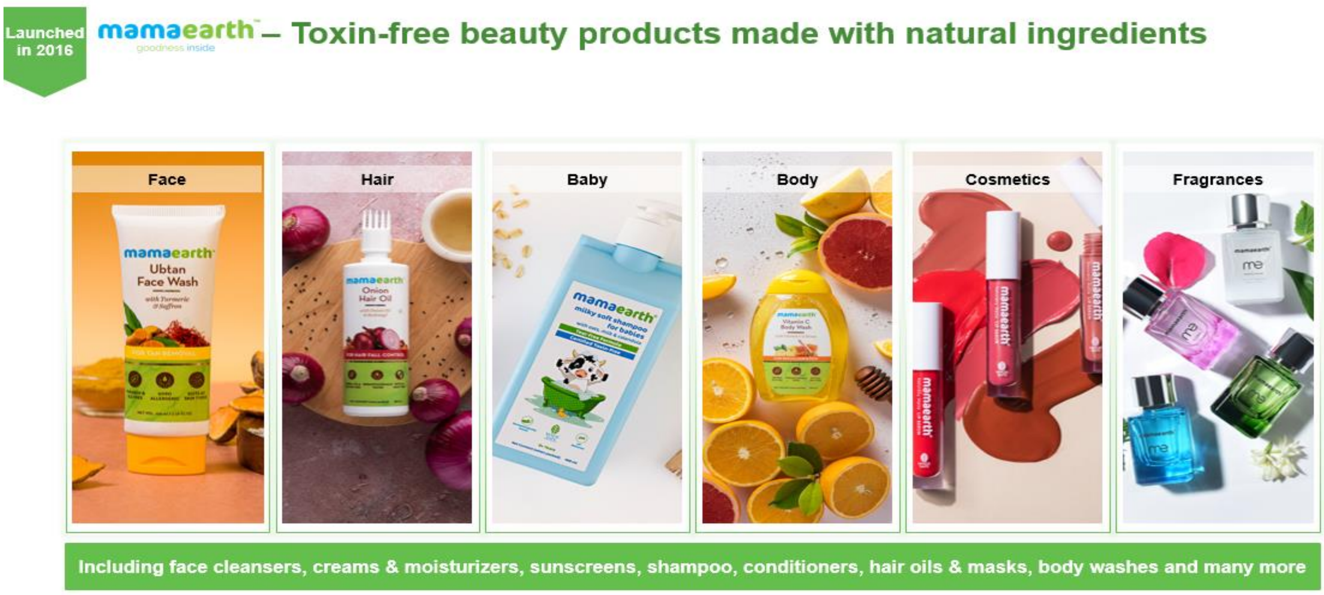
Our Brands

Each of our brands offer a differentiated value proposition as sought by our consumers. Our products portfolio includes products in the baby care, face care, body care, hair care, color cosmetics and fragrances segments. This product portfolio is supplemented by our services businesses across our content and community management platform, Momspresso, and our professional salons chain, BBlunt Salons.

Mamaearth

Value proposition: Toxin-free beauty products made with natural ingredients.

Established in 2016, Mamaearth is our flagship brand that focuses on developing toxin-free beauty products made with natural ingredients. Mamaearth was India's largest digital-first BPC brand in India in terms of revenue from operations in Financial Year 2022 (Source: *RedSeer Report*). Initially introduced as a natural ingredients-led baby care brand with products inspired from traditional DIY beauty recipes, Mamaearth was aimed at parents who were increasingly concerned about the ingredients used in baby products. Mamaearth's product offering has since extended beyond baby care products and is now an established BPC platform brand with products across baby care, hair care, face care, body care, color cosmetics, and fragrances.



Mamaearth's brand proposition is built on the following pillars:

- *Power of Nature*. The key ingredients used in our product ranges are inspired from nature and traditional Indian DIY recipes for BPC products. We have curated our portfolio by delivering these ingredients for BPC products in convenient and easy-to-use formats. Some of our best-selling ingredient ranges include onion, *ubtan*, vitamin C and tea tree.

- *Toxin-free beauty products*. Mamaearth aims to provide consumers with quality products that are toxin-free and safe-to-use. We place an increased emphasis on our product formulations and ingredient assessments and have carefully curated a list of harmful chemicals and materials that we choose not to use in our formulations, which are (i) parabens, (ii) phthalates, (iii) sulphates (SLS/SLES), (iv) mineral oil, (v) formaldehydes, (vi) triclosan and (vii) benzene.

- *Safe:* Our products are tested by expert dermatologists to ensure that we deliver safe and quality products to our consumers.

- *Goodness Inside*. Mamaearth believes in the ideology of 'Goodness Inside' – aimed at goodness not only through natural and toxin-free products but also through our commitment towards social and environmental causes. This purpose is exhibited through the following initiatives:

  - *Plant Goodness*: We plant trees on behalf of orders placed on our direct-to-consumer channel. As of October 31, 2022, we had planted more than 300,000 trees since inception with the aim to reduce carbon footprint and improve air quality, soil quality and groundwater levels. Each tree is geo-tagged, enabling transparency and visibility to our consumers.

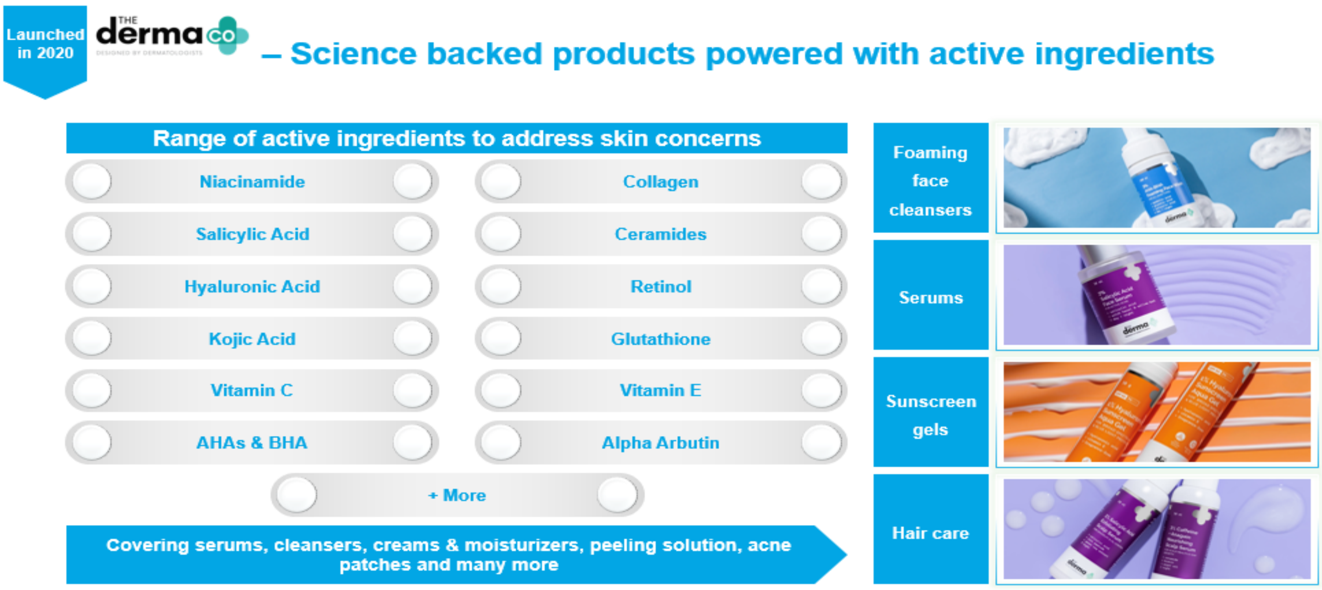
  - *Plastic Positive*: We have helped recycle 3,421 metric tonnes of plastic in Financial Years 2021 and 2022, which is more than the plastic used in products procured by us from contract manufacturers during the same period.

  - *Redefining Beauty*: We define beauty as 'doing good' rather than 'looking good'. As a representation of this belief, we created a marketing platform, 'Beautiful Indians', that celebrated goodness by recognizing individuals who demonstrated acts of goodness across social or environmental causes.

The Derma Co.

Value proposition: Science-backed products powered with active ingredients.

We launched The Derma Co. in 2020 to provide solutions for skin and hair conditions through a range of active ingredient-based products. The brand is focused on making these solutions easily accessible to consumers across digital and retail touchpoints. The brand offers a range of products that help resolve diverse concerns like active acne, acne marks, pigmentation, dull skin, ageing, hair loss, dandruff, etc. The brand offers an AI enabled experience to consumers in the form of real-time skin assessment analysis to help them detect skin conditions and identify specific products or regime for treatment.



The Derma Co.'s brand proposition is built on the following pillars:

- *Safe*. Our products are tested by expert dermatologists to ensure the safety of our formulations.

- *Transparent*. The Derma Co. ensures transparency and authenticity by mentioning the exact percentage of core active ingredients in the products.

- *Purpose-driven*. Science is a core tenet of the brand value proposition, and we want the consumer to be empowered and educated in this proposition. As part of our Young Scientists initiative, we have partnered with a non-governmental organization to make practical science education accessible to students in need.

Aqualogica

Launched in November 2021, Aqualogica is our specialized skin care brand that leverages the science of hydration to introduce products suited to Indian skin-types. Aqualogica's formulations blend the purity of fruits with the science of actives to develop hydrating products for face and body care. We have curated four ranges under this brand:

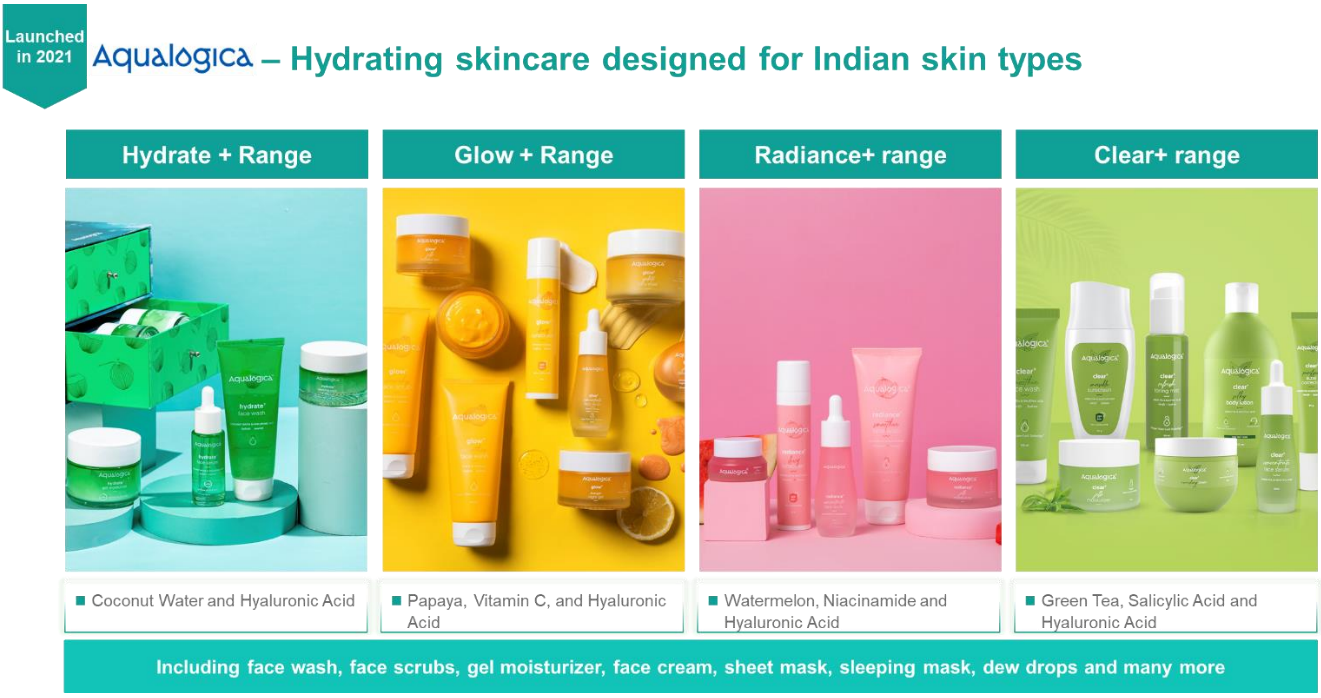
- *Hydrate+*. Formulated with coconut and hyaluronic acid, the Hydrate+ range is designed to provide deep hydration to the skin while making it soft and smooth.

- *Glow+*. Formulated with papaya, vitamin C and hyaluronic acid, the Glow+ range is designed to provide a natural glow to the skin by helping fight common issues like hyperpigmentation and uneven skin tone.

- *Radiance+*. Formulated with watermelon, niacinamide and hyaluronic acid, the Radiance+ range is designed to improve skin texture by helping fight common issues like acne marks and hyperpigmentation.

- *Clear+*. Formulated with Green Tea, Salicylic Acid and Hyaluronic Acid, the Clear+ range is designed to treat active acne, control excess oil production and reveal healthy, clear skin.

Value proposition: Hydrating skincare designed for Indian skin-types.



Aqualogica's brand proposition is built on the following pillars:

- *Made for India*. Aqualogica exists to build products that are specifically designed for Indian skin types. These formulations are designed to be quick-absorbing, non-oily, non-sticky and are enriched with rich hydrating ingredients.

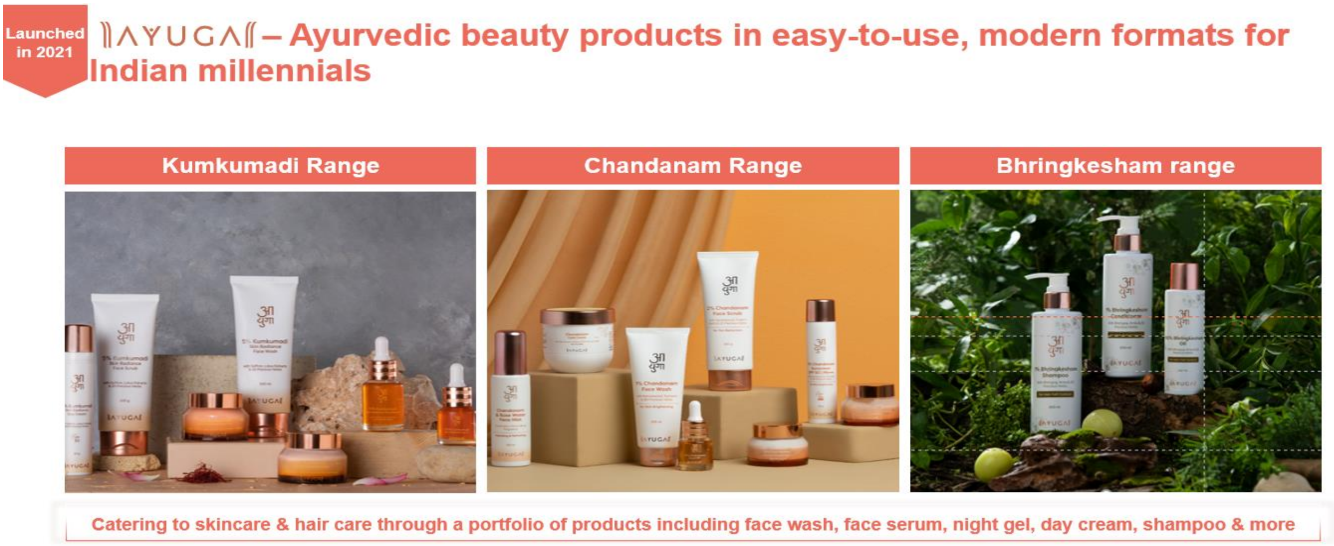
- *Unique Water Lock Technology™*. Our products are crafted with our Unique Water Lock Technology™ that locks in moisture and provides deep and intense hydration. The unique formulation stimulates the aquaporin channels of the skin that help push moisture from the inner layer of the skin to the outer layer and is clinically proven to increase skin hydration.

- *Fresh Water For All*. Aqualogica is associated with the 'Fresh Water for All' initiative through which we help enable access to clean and safe drinking water in remote regions in India.

Ayuga

Launched in December 2021, Ayuga aims to make the traditional wisdom of Ayurveda relevant for Indian millennials by curating products in easy-to-use, modern formats that can easily fit in a consumer's daily skin and hair care regime. Ayuga products span the face, body and hair care product categories, and include products such as night gel, face serum, sunscreen, shampoo, conditioner and hair serum.

Value proposition: Ayurvedic beauty products in easy-to-use, modern formats for Indian millennials.



Ayuga's brand proposition is built on the following pillars:

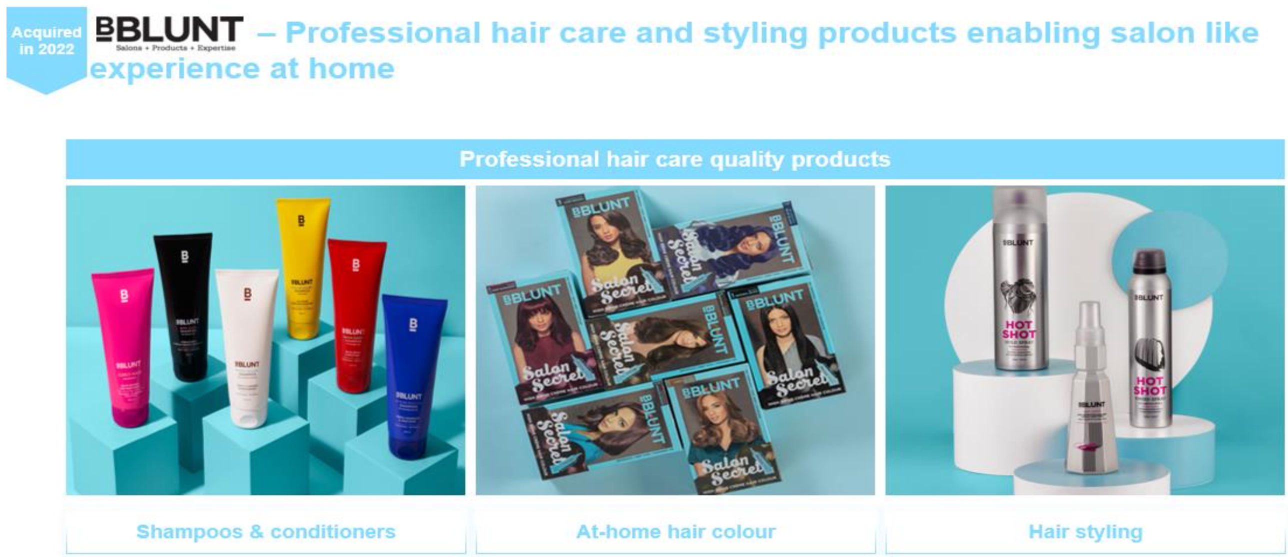
- *Traditional Wisdom*. Ayuga aspires to curate products that leverage the age-old wisdom of Ayurveda. Our product formulations are inspired from traditional ayurvedic texts, formulas, and rituals.

- *Honesty*. Ayuga seeks to ensure transparency and authenticity by setting out the exact percentage of the core ayurvedic oil used in the products.

BBlunt

We acquired BBlunt in March 2022 with the objective of extending our portfolio to specialized 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.

Value proposition: Professional hair care and styling products enabling salon like experience at home.



BBlunt's brand proposition is built on the following pillars:

- *Salon Expertise*: BBlunt derives its heritage from the BBlunt Salons business which was launched in 2004. Nearly two decades of experience of servicing consumers through the salons business has enabled the brand to develop a portfolio of products that are relevant for consumers and cater to their specific hair care and styling needs.

- *Shine*: We aim to create products that enhance hair texture and leave a luminous shine on the hair. In line with this core value proposition, we have also curated the brand purpose for BBlunt around a 'Shine Academy' initiative wherein we have collaborated with a non-governmental organization to help upskill women in hair styling related salon services.

Dr. Sheth's

Acquired in April 2022 and operating through our Subsidiary, Fusion Cosmeceutics Private Limited, which became wholly-owned by us in December 2022, Dr. Sheth's offers specialized skincare solutions crafted with a combination of natural and active ingredients. Dr Sheth's was developed by three generations of skin specialists with a focus on naturally inspired and scientifically validated products.

Value proposition: Bio-actives based skincare developed by three generations of skin specialists.

Acquired in 2022 DR. SHETH'S – for indian skin – – Bio-actives based skincare developed by three-generations of skin specialists

Dr. Sheth's brand proposition is built on the following pillars:

- *Natural and scientific ingredients*: We combine potent active ingredients backed by science with the goodness of natural botanical ingredients such as herbs, fruits, and leaves.

- *Made for India*: As a brand designed by skin specialists who have extensively worked on treating Indian skin, we are focused on curating products that are specifically designed for the Indian skin types and seek to treat a range of common skin issues faced by Indian consumers such as pigmentation, dark spots, and acne.

- *Decades of Indian skin expertise*: Dr Sheth's was developed by three generations of skin specialists and continues to derive equity from this rich heritage.

Pursuant to the share purchase agreement dated October 20, 2022, our Company purchased the remaining 33.23% of the equity share capital of Fusion from Aneesh Sheth. In addition, pursuant to a resolution dated December 9, 2022 passed by the board of directors of Fusion, the notional ESOP pool forming part of Fusion's diluted share capital was cancelled. As such, as on the date of this Draft Red Herring Prospectus, our Company holds 100.00% of the share capital of Fusion. For further details see, "*History and Certain Corporate Matters — Our Subsidiaries*" and "*History and Certain Corporate Matters — Details regarding material acquisitions or divestments of business / undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" on pages 174 and 173.

BBlunt Salons

We acquired BBlunt Salons along with the BBlunt product business in March 2022. Operating under our subsidiary, Bhabani Blunt Hairdressing Private Limited, through BBlunt Salons, we offer hair care, grooming and styling services for women and men across nine leased outlets in Mumbai and Bangalore, as on September 30, 2022. This business was launched in 2004 by a founding team comprising celebrity hair stylists who continue to be associated with the brand as consultants and creative directors.

Beauticians, hairdressers, and stylists at our BBlunt Salons are trained at our in-house training academies. As a part of development initiatives at these training academies, we offer a number of courses including barbering, hair colouring and hairdressing. Through these academies, we provide training courses not only to our own stylists but also to other students not associated with the salon business.

Personalized recommendations from trained stylists at these salons have helped build trust amongst consumers and has strengthened brand equity for our products business. We aim to leverage these salons and academies to generate visibility and customer trials for relevant BPC categories, such as hair care and colour cosmetics, from other brands in our portfolio.

Additionally, we also provide shooting and filming services under the BBlunt umbrella wherein we offer make-up and hair styling services to television and media outlets.

Momspresso

Momspresso was launched in 2016 and acquired by us in December 2021. As a content platform operating under our Subsidiary, Just4Kids Services Private Limited, the key verticals under the Momspresso umbrella include:

- *UGC Content Platform*: Through the platform, users can express themselves through blogs and vlogs in 10 different languages. With an engaged community of 2.49 million and 3.05 million monthly active users during the Financial Year 2022 and the six months period ended September 30, 2022, respectively, Momspresso seeks to provide women with meaningful and relevant content that can help them not just in their journeys as mothers but also in their journey through the various stages of womanhood. The extensive library of content curated through this platform has enabled us to strengthen our content-led marketing capabilities for our other brands.

- *Content Development Factory*: Through this vertical, Momspresso works as a third-party agency to develop content for brands across textual and video formats. Services provided include designing the overall content strategy and roadmap for the brand, developing content pieces by leveraging an in-house editorial and production team, and measuring and optimizing performance of creatives across platforms.

- *MyMoney*: Through MyMoney on the Momspresso platform, users work as micro-influencers for brands by participating in marketing campaigns and posting relevant content on their social media handles. Marketers leverage the power of these micro-influencers to drive awareness and consideration about their brands and products. The users, in turn, get an opportunity to earn from their social network and influence. This platform has helped us enhance our in-house influencer marketing capabilities by enabling access to this large community of content creators and micro-influencers. As of September 30, 2022, MyMoney had 376,069 registered users on its platform.

Our Capabilities

Innovation and Product Development

We focus on product innovation as a key differentiator of our business. We have developed multiple tools and capabilities that enable us to identify new and emerging trends quickly and develop products that aim at solving consumer problems. We introduced 159 and 225 new SKUs in the BPC market in India during Financial Year 2022 and during the six months period ended September 30, 2022, respectively, which contributed to a 42.17% and 44.12% absolute increase in revenue from operations during the period, respectively, as compared to the preceding corresponding period. For more details on our innovation tools, see "-*Technology*" on page 158.

Our in-house innovation team of 45 members, as on September 30, 2022, led by our co-founder and Chief Innovation Officer, Ghazal Alagh, continuously works on identifying innovative ideas across new categories, new product formats, new ingredients, or new need spaces. This team works on the end-to-end ideation and execution of new product launches starting from developing product briefs and concepts, to finalizing formulation and packaging of the product, to determining the pricing and positioning of the products. All decisions across this new product launch lifecycle are informed by inputs and feedback from consumers with deep insights into consumer preferences. We have dedicated innovation centres in Gurugram and Thane to develop new formulations and propositions in line with consumer insights. We also engage with large third-party ingredient suppliers to identify emerging innovations and co-create new products.

Contract Manufacturing and Quality Assurance

As part of our manufacturing process, we have set up an asset-light model enabled with contract manufacturing. During the six months period ended September 30, 2022, we worked with 37 contract manufacturers to produce products. Through this model, we are able to benefit from economies of scale at small batch sizes with the flexibility to scale production, as required.

We conduct extensive due diligence on manufacturing partners, and this process includes audits of manufacturing facilities and production capacities, sample testing and transport and stability testing. Once a contract manufacturing partner is selected by us, our innovation and commercial operations team continuously engage with them to guide the manufacturing process based on the specific formulations and packaging guidelines established for the product. We have implemented stringent quality control standards for all our contract manufacturers. We perform quality inspections and testing procedures of the finished goods produced by these manufacturers. Samples from each batch are tested first at the manufacturing facility followed by regular checks at our own warehouses to ensure compliance. Additionally, we leverage independent third-party quality laboratories to carry out routine inspections and testing on products manufactured for us to ensure consistent quality of our products.

Supply Chain and Logistics

As of September 30, 2022, our brand agnostic, integrated supply chain comprises of 11 warehouses spread across seven districts in India. Of these 11 warehouses, three warehouses are directly managed by us while management of the remaining warehouses is outsourced to third-party partners. Our main warehouse, which is based in Pataudi, Haryana, acts as a central hub and distributes products to our regional warehouses in other parts of the country.

We distribute our products to our consumers, distributors, super distributors and sub-stockists both through our main and regional warehouses. We have contracted third party logistics providers, to deliver products to our consumers across India for orders placed through the direct-to-consumer channel.

We have developed a data and tech-enabled supply chain to enable efficiencies across the network. Pin-code level data from our direct-to-consumer channel helps us identify the right location to establish new warehouses or generates triggers to expand capacity at existing warehouses. Our enterprise resource planning (ERP) solution and order management system (OMS) help us streamline operations across procurement, inventory management, production planning, sales and distribution, financial controlling, and accounting. Our in-house data analytics team processes cross-channel supply chain data from ERP and OMS to provide end-to-end visibility of our inventory across our network. This information is in turn used by the team to develop algorithms that enable efficient allocation of in-bound and out-bound orders across our network of warehouses.

Additionally, we leverage sophisticated artificial intelligence and machine learning tools to optimize demand forecasting, replenishment, and inventory management across our networks. These tools also provide us with the ability to respond to demand changes in an agile manner. This demand planning system is configured at a channel level with a separate product catalogue activated for our online and offline channels. This enables us to offer our full range of products in the online channel while introducing only selective products to the offline channel, in line with our digital-first distribution strategy.

Omni-Channel Distribution Network

We have established an omnichannel distribution network across online and offline channels. Through this network, we have been able to make our products available pan-India across 718 districts in India, during the six months period ended September 30, 2022.

Online Channel

Our online channel comprises of our direct-to-consumer channel which includes our brand-specific websites, mobile websites and mobile applications and e-commerce marketplaces. We leverage our online channels to incubate new to early-stage brands with the objective of acquiring new users and generating trials amongst early adopters. Through our online channel, we serviced 18,323 pincodes (covering 94.94% of the total pincodes) during the six months period ended September 30, 2022.

Our direct-to-consumer channel enables consumers to browse the entire range of products available under our portfolio of brands and make purchases directly from us. This channel provides us with valuable data and insights into customer behavior and preferences that enables us to drive efficient decision making across functions. The channel also helps us to bring our sustainability and consumer-related initiatives to life and communicate our core brand purpose to our consumers. Within the e-commerce channel, we have developed an established presence and longstanding relationships with all leading e-commerce marketplaces, such as Nykaa.

Offline Channel

Our offline channel comprises of our retail footprint across general trade outlets and modern trade outlets, Mamaearth Exclusive Brand Outlets ("**EBOs**") and BBlunt salons. We leverage our presence in general trade outlets and modern trade outlets to drive household penetration while our EBOs and salons help strengthen equity for our brands in a retail environment by enabling a more personalized customer experience.

General Trade

Our general trade channel includes a network of retail and wholesale stores, which include beauty and cosmetics-focused outlets, grocery stores, pharmacies and self-service department outlets. These outlets are accessed by us through our network of distributors, super distributors and sub-stockists. According to NielsenIQ's Retail Measurement System, for the period of September 2022, we are estimated to have retailed products through 112,868 FMCG retail outlets in India. During the six months period ended September 30, 2022, we worked with an aggregate of 449 distributors, super distributors and sub-stockists across India. We have also deployed a distributor management system (DMS) across large distributors in the offline channel to helps us enhance visibility of secondary sales and inventory. The data captured from this tool is also leveraged to optimize demand planning and trade marketing activities in the channel. Additionally, we actively leverage insights on consumer preference from our DTC platform at a pin-code level to define our offline store expansion and regional prioritization strategies. This data is further leveraged to optimize our merchandising and portfolio rationalization strategies at a micro-market level.

Modern Trade

Our modern trade channel includes a network of 30 retail chains, during the six months ended September 30, 2022, with whom we have contractual arrangements for the sale of our products. These retail chains include national chains, regional retail chains, pharmacies, and cash-and-carry stores across India.

EBOs and Salons

As of September 30, 2022, we had 35 EBOs exclusively retailing products for our Mamaearth brand. Our EBOs help us curate a richer brand experience for our consumers and deepen engagement with them in the offline retail environment. Through these EBOs, we aim to capitalize on strategic categories such as color cosmetics which require a more personalized service and experience to facilitate purchase.

Additionally, our acquisition of BBlunt in March 2022 has enabled us to access the professional salon channel in the offline retail environment. Recommendations from trained stylists at these salons have helped build trust amongst consumers and has strengthened brand equity for our BBlunt products. We aim to leverage these salons and academies to generate visibility and customer trials for relevant BPC categories, such as hair care and colour cosmetics, from other brands in our portfolio.

During the month of September, 2022, we had 1,388 beauty advisors who work across general trade outlets, modern trade outlets and our EBOs to deliver a more personalized experience to consumers and help them in their decision-making process.

Marketing and Advertising

Our marketing model aims to activate consumer engagement initiatives across multiple media platforms and channels. With a combination of digital and traditional marketing, we deliver a consistent narrative about our brands and their proposition across all touch points relevant for our consumers. Through these activations, we aim to target users across the full marketing funnel, right from creating awareness to driving consideration and conversion for our brands.

As a digital-first BPC company, we have developed a comprehensive digital marketing strategy across social media platforms. We have adopted an 'always-on' marketing philosophy, which translates into continuous engagement with our consumers throughout the year through our digital channels, aided by organized and rigorous calendar planning, across various channels and content formats. Our non-digital, traditional marketing initiatives include television campaigns and physical events. We started engaging with our consumers through television campaigns for Mamaearth in November 2020 to help drive awareness and penetration for the brand into new households and expand our reach in the offline channel. Our marketing and brand building initiatives are supported by the following in-house verticals:

Category and Marketing Insights (CMI)

Our in-house CMI team continuously engages with consumers to generate valuable insights to support decision making across functions. This includes testing new hypothesis on emerging need spaces or category trends, testing consumer response to our content and creative strategies, and understanding consumer media choices and purchase funnels. The team leverages our in-house UCR tech platform to launch surveys and polls on our own brand websites, and activates extensive qualitative and quantitative consumer research from third-party market research agencies to provide additional insights on critical strategic areas.

Content and Creative Excellence (CCE)

We believe that millennials respond better to content that is meaningful and contextualized to their specific needs and preferences as compared to traditional content formats that are based on brand or product pitches. In line with this insight, we have created an in-house CCE team that develops relevant educational content to engage with our consumers, supported by data-led consumer insights. We have set-up our own in-house creative studio to accelerate content development timelines and drive efficiencies. Our content strategy aims to focus on latest beauty regimes, ingredients' benefits, product usage, amongst others.

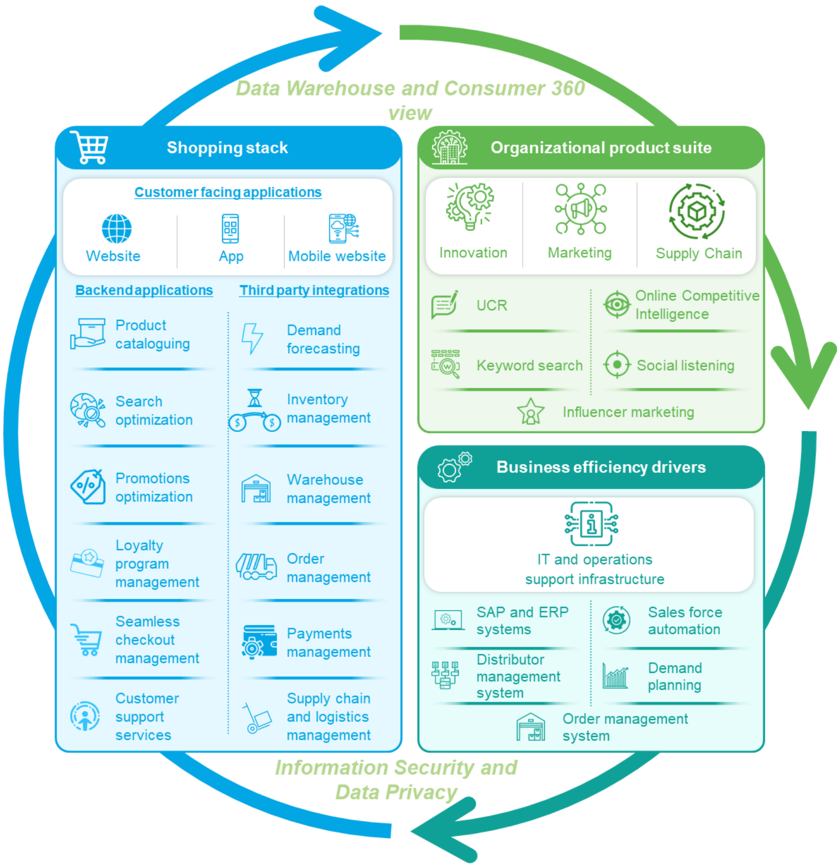
Influencer Marketing and Public Relations

We work with a community of influencers on social media platforms to create relevant content across video and textual formats. During the Financial Year 2022 and six months period ended September 30, 2022, we worked with 2,915 and 3,958 influencers, respectively, which included beauty, fashion and lifestyle bloggers, makeup artists and celebrities to generate content for our brands. This influencer marketing model has helped build awareness for our brands, propositions and products. Additionally, across our digital and traditional marketing campaigns, we routinely collaborate with celebrity brand ambassadors to promote our brands.

We are a member of the Advertising Standards Council of India ("**ASCI**"), a voluntary self-regulatory organization of the advertising industry in India. Pursuant to our membership of ASCI, we are subject to certain guidelines prescribed under the ASCI Code of Self-Regulation relating to marketing and advertising campaigns. For further details, see "*Risk Factors — Internal Risk Factors — Our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.*" on page 52.

Technology

We consider our technology platform to be a key enabler and pillar to our business strategy. Our integrated technology platform connects our brands, our channels, and our supply chain operations to improve efficiencies across functions and teams. Our technology stack comprises of five key components – shopping stack, data warehouse and customer-360 view, organizational product suite, business efficiency drivers, and our information security and data privacy framework.



Shopping Stack

Our shopping stack supports our direct-to-consumer channel across three key categories: consumer facing applications, backend functionalities and third-party integration.

- *Consumer facing applications*: These are the platforms that receive and process orders placed by our customers on our websites, mobile websites and mobile applications.

- *Backend applications*: These applications help us streamline and improve customer experience on our brand websites, mobile websites and mobile applications. These capabilities include product cataloguing, search optimization, promotions, discounting optimization, loyalty program management, seamless checkout management and customer support services.

- *Third-party integration*: The shopping stack is integrated with multiple third-party tools and software to support demand forecasting, inventory management, warehouse management, order management, payments management, and supply chain and logistics management.

As of September 30, 2022, we have a dedicated in-house team of 136 members in our tech team that focuses on continuously enhancing these applications and platform capabilities to help automate and improve processes. We have built a single, integrated shopping stack that can quickly be replicated for newer brands. This enables us to quickly launch new brand websites, mobile websites and mobile applications, fully enabled with relevant features.

Data Warehouse and Consumer 360 View

We have developed our data science capabilities to generate real time business insights and drive business efficiencies across channels and functions. Our strength in the online channel gives us an advantage in our data processing capabilities by providing us with the ability to generate consumer data across demographic and behavioural variables in addition to standard transactional details. This consumer 360-degree view has enabled us to develop a deep understanding of consumer preferences and provides us with the ability to improve consumer experience on our platforms, improve consumer lifetime value and optimize channel strategies.

- *Improve Customer Experience*: We leverage this data to segment our user base into meaningful micro-cohorts and create personalized consumer journeys.

- *Improve Customer Share of Wallet*: This data warehouse enables us to identify relevant audiences to cross-sell new categories or new brands to our existing user base and thereby improve customer lifetime share of wallet at a company level.
- *Optimize Channel Strategies*: Pin-code level insights on consumer preferences from our direct-to-consumer channel are leveraged to define our offline store expansion and regional prioritization strategy. This data is further used to optimize merchandising and portfolio rationalization strategies at a micro-market level in the offline channel.

Organizational Product Suite

We have developed specialized in-house tools that help us identify consumer trends and innovate products faster than competition. These tools also enable business efficiencies across multiple support functions from marketing and media planning to supply chain operations. Our proprietary technology tools include:

- *User Conversational Research (UCR)*: our unique, two-way consumer engagement digital platform that enables us to drive live conversations with users in multiple conversational formats such as polls, surveys, and open-ended questions. The tool helps generate quick and robust insights that enable faster and more efficient decision making across functions. During the six months period ended September 30, 2022, we leveraged UCR to activate 61 consumer studies with 92,587 consumer conversations across all our brands.

- *Online Competitive Intelligence*: our in-house market research and competitive intelligence platform providing insights at a brand, ingredient, and price point level across a number of BPC sub-categories in the e-commerce channel. This data provides us with a valuable pool of data to enable identification of white spaces and helps optimize marketing budgets/ campaigns on e-commerce marketplaces.

- *Social Listening*: our in-house social platform that enables us to capture consumer sentiments and identify emerging trends and propositions.

- *Keyword Search:* our in-house analytics platform which provides deep insights into consumer search terms on e-commerce marketplaces. This helps us optimize marketing spends by redirecting budgets towards search keywords that are most relevant for our brands and our customers.

- *Influencer Marketing*: our in-house machine-learning based tool which helps us identify new social media trends and influencers and predict performance, thereby automating a traditionally manual process driven through third-party agencies.

Business Efficiency Drivers

We use advanced information technology systems to streamline systems and processes in our operations. These systems facilitate the flow of real-time information across departments and allow us to make data-driven decisions and manage performance. Some of these systems are set out below:

- Enterprise Resource Planning (ERP): Our ERP system enabled by SAP S4/HANA® helps us manage and optimize business processes across procurement, inventory management, production planning, sales and distribution, financial controlling, and accounting.

- Order Management System (OMS): Our OMS solution enables us to efficiently manage order workflows on our own brand websites and applications. It also helps us integrate our portfolios and manage inventory across e-commerce marketplaces.

- Demand Planning: We leverage artificial intelligence and machine learning tools to optimize demand forecasting, replenishment, and inventory management across our networks. These tools also provide us with the ability to respond to demand changes in an agile manner.

- Distributor Management System ("**DMS**"): Having implemented a DMS across large distributors in the offline channel helps us enhance visibility of secondary sales and inventory. Data captured from this tool is leveraged to optimize demand planning and trade marketing activities in the channel.

- Sales Force Automation (SFA): Our SFA solution helps us streamline sales force operations in the offline channel. The platform provides us with complete visibility of sales staff activities and new retailers acquisition, and enables order capturing at source.

Information Security and Data Privacy

We have an information security and data privacy framework which contains guidelines for protection against security threats to our technology and information systems, specifies procedures to protect our customer data and contains guidelines regarding the usage of customer data. Under the policy guidelines, we do not transmit any customer data to external third parties, including third party databases. We continuously endeavor to prevent any data breaches and have introduced measures such as a firewall protection, virtual private network access (VPN) and 2-factor authentication systems to restrict unauthorised access to our systems and servers. We also conduct regular malware scanning to detect and prevent data breaches. For further details, see "*Our Management*" and "*Risk Factors — We rely on our information technology systems in managing our supply chain, logistics and other integral parts of our business. Any failure in our information technology systems could adversely affect our financial condition and results of operations*" on pages 180 and 48, respectively.

Our Purpose

Environmental, Social and Governance

We believe that enabling and uplifting society, taking care of the environment, and being ethical in our conduct will have a lasting positive impact on our communities and our organization. We have aimed to consciously build a purpose-driven organization that upholds the three pillars of environmental sustainability, societal welfare, and ethical governance (ESG). Our focus on these three pillars permeates through our brands, products, processes and operations. While we have organized initiatives and activities to further our ESG goals, we consider achieving these goals to be an ongoing process of continual improvement.

- **Environment**: Our commitment to sustainability.

    - Through our 'Plant Goodness' initiative, we plant trees for all orders placed on our direct-to-consumer channel and as on October 31, 2022, we had planted over 300,000 trees since inception. This initiative aims to reduce carbon footprint and improve air quality, soil quality and groundwater levels. Each tree planted through this initiative is geo-tagged, thereby enabling transparency and visibility to our consumers.

    - We are a plastic-positive organization, and have helped recycle 3,421 metric tonnes of plastic in Financial Years 2021 and 2022, which is more than the plastic used in products procured by us from contract manufacturers during the same period.

- **Social**: Giving back to society.

    - Redefining Beauty: We define beauty in 'doing good'. As a representation of this thought, through our Mamaearth brand, we created platforms such as 'Mamaearth x Femina Beautiful Indians' and 'Dolphin Tank', through which we seek to recognise and reward small acts of goodness in society. We encouraged the submission of entries from public as well as celebrities to acknowledge these acts of goodness.

    - Young Scientists: Associated with The Derma Co., through this initiative, we help provide children in rural India with access to education in science.

    - Fresh Water for All: Associated with Aqualogica, through this initiative, we help enable access to clean drinking water for people in remote regions of India.

    - Shine Academy: Associated with BBlunt, through this initiative, we help upskill women in hair styling related salon services.

- **Governance**: Imbibing the spirit of trust and transparency

    - Board: We are governed and advised by a reputed board comprising six individuals with extensive experience in consumer businesses in India and globally. Our board is supported by three independent directors, Vivek Gambhir, Subramaniam Somasundaram and Namita Gupta, who regularly review our business operations to ensure we uphold high corporate governance standards.

    - Committees: We have constituted multiple committees to enhance governance and oversight for key functions within our organization, and which include a nomination and remuneration committee, audit committee, corporate social responsibility committee, risk management committee and stakeholder relationship management committee. For further details on Board and committees of the Board, see "*Our Management*" on page 180.

Employees

As of September 30, 2022, we had 1,050 permanent full-time in-house employees working for us in a range of business activities. These employees were supported by 1,639 contractors and consultants during the month of September 2022.

Our workforce is diverse with 61.62% of our employees being women. A list setting out the various departments in which our full-time in-house employees are hired by us as of September 30, 2022 is set out below:

Department	Number of employees
Management	19
Revenue	395
Innovation	45
Brand Factory	19
Supply Chain & Operations	56
Marketing	148
Technology and Data	136
Strategy	13
Human Resources	25
Finance	48
Legal and Regulatory	6
Administrative	62
Salon Stylists	78
Total	**1,050**

Our Business Relationships

We operate our businesses through arrangements with contract manufacturers, distributors, super distributors, logistics partners, e-commerce marketplaces, and retailers. Additionally, we have arrangements with other intermediaries such as digital services providers for services such as advertising and marketing.

Our typical arrangements with distributors, super distributors, contract manufacturers and delivery companies are as described below.

Agreements with Contract Manufacturers

We have entered into standardized agreements with majority of our contract manufacturers from whom we directly obtain finished goods on specifications agreed upon by us. During the six months period ended September 30, 2022, we sourced our products from 37 contract manufacturers. Generally, the term of agreements with our contract manufacturers is for five years, on a non-exclusive basis and can be terminated by our Company, with or without cause, by giving a prior notice of 30 days.

Agreements with Distributors and Super Distributors

We have entered into agreements with all distributors and super distributors responsible for distribution of our products through general trade channels and modern trade retail channels. Ownership of our products is transferred to our distributors and super distributors upon delivery. Generally, the term of agreements with our distributors and super distributors is for 1-2 years, on a non-exclusive basis and can be terminated by either party, with or without cause, by giving a prior notice of 1-3 months.

Agreements with Logistics Partners

We engage delivery companies to deliver the orders placed on our direct-to-consumer platform to customers. We instruct delivery companies to collect products from specified locations and deliver to our customers in accordance with their orders. We have entered into standard agreements with the delivery companies we engage, which are on a non-exclusive basis. The agreements with delivery companies can be terminated by either party by giving prior notice of 30 days.

Agreements with E-commerce Marketplaces

We list our products on marketplaces pursuant to agreements we have entered into with them. There are two broad categories of agreements with marketplaces: (i) B2C model wherein we sell our products directly to consumers and retain ownership of our inventory, and (ii) B2B model wherein marketplace purchase inventory from us and subsequently sell to consumers. The agreements with the marketplaces can usually be terminated by either party by giving 30-60 days’ notice.

Sales through Modern Trade Retail Chains

Our modern trade channel includes a network of 30 modern trade chains, during the six months period ended September 30, 2022, to whom we or our distributors sold our products for further sales to consumers These arrangements include national chains, regional retail chains, chemist-focused chains as well as cash and carry stores situated across the country.

Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company and Subsidiaries have registered several trademarks and domain names including Honasa and the names of five brands, namely Mamaearth, Aqualogica, Ayuga, BBlunt and Dr. Sheth’s, for which we have obtained registration certificates from relevant registries under the applicable laws.

As of the date of this Draft Red Herring Prospectus, we have 53 trademark registrations in India for our brands. Further, we have 88 trademark applications in India pending, out of which 56 applications have been objected to by the trademark registry, two applications have been rejected by the trademark registry, two applications have been withdrawn and two applications have been opposed by third parties for trademark registration for our brand The Derma Co.

Outside India, we have nine trademark registrations in seven countries, all in respect of our "Mamaearth" trademark. Further, we have made twelve trademark applications in ten countries, of which five applications have been provisionally refused in five countries, and two applications have been refused in two countries. Additionally, we have filed certain oppositions against various third parties before the Registrar of Trademarks in India.

For further details of the risks related to our intellectual property, see "*Risk Factors — Internal Risk Factors — We may not be able to adequately protect our intellectual property, which may result in the inability to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products."* on page 42.

Insurance

We maintain insurance coverage under various insurance policies such as burglary policy, standard fire and special perils policy, corporate cover policy, combined general liability insurance, group active health policy, cyber security policy, marine open export declaration policy, marine open import declaration policy and directors, and officers' policy. While we believe that the level of insurance we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we do not have insurance policies to cover all possible events. For further details, see "*Risk Factors — Internal Risk Factors — We may not be sufficiently protected or insured for certain losses that we may incur or claims that we may face against us.*" on page 51.

Awards and Accolades

Over the years, we have received several awards and accolades, the most notable of which include:

- FlipStars Award, Flipkart, 2022
- Young Turks Start-up of the Year, India Business Leader Award, 2022
- Great Place To Work, 2021
- India's Most Admired Brand, BARC Asia, 2021
- Amazon Step Ace Award, 2021
- Nielsen BASES Breakthrough Innovations, Nielsen Bases, 2020
- The Times of India Most Valued Mother & Child Brands, 2020
- Super Start Ups Asia, Start-up Asia, 2019
- ET Edge Best Brands, Economic Times, 2019

Our co-founders, Varun Alagh and Ghazal Alagh, have received several awards and accolades, the most notable of which include:

- Dare to Dream Awards 2022 – Woman Entrepreneur of the Year (North) (Ghazal Alagh), 2022
- 30 Most Influential Young Indians of 2022 (Ghazal Alagh), GQ India, 2022
- Promising Women Leaders of India (Ghazal Alagh), Economic Times and Femina, 2022
- Varun Alagh won the D2C Icons of India, Shiprocket, 2022
- 40 Under 40 Achievers' Award (Ghazal Alagh), BW, 2022
- 40 Under 40 (Varun Alagh), Economic Times, 2020

For further details on awards and accolades received by us, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 172.

Property

The registered office of our Company is located at Unit No. 404, 4th Floor, City Center, Plot No. 5, Sector – 12, Dwarka – South West Delhi, New Delhi – 110 075, India and our corporate office is located at Plot No. 63, 4th Floor, BLM Tower, Netaji Subhash Marg, Sector – 44, Gurugram 122 003, Haryana, India, which are situated on leased premises.

We do not own the underlying property for any of our offices, warehouses or EBOs, all of which are held by us on a leasehold basis. The durations of our leases range from a period of 11 months to nine years, and we are required to pay security deposits and specified monthly rentals for the duration of the relevant agreement, subject to periodic escalations at agreed rates.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner so as to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law, which are subject to change, modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

Key Regulations applicable to our Company and Subsidiaries

The key laws applicable to our Company and Subsidiaries include:

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakh. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules") and the proposed amendments to the E-Commerce Rules

The Ministry of Consumer Affairs issued the E-Commerce Rules under the Consumer Protection Act, 2019 on July 23, 2020. The E-Commerce Rules provide a framework to regulate the marketing, sale and purchase of goods and services online. These rules apply to (a) good/services purchases or sold vide digital or electronic network, including digital products; (b) marketplace and inventory e-commerce entities; (c) all e-commerce retailing; and (d) forms of unfair trade practices across all e-commerce models. It specifies the Duties of E-commerce Entities, specific duties and liabilities of marketplace e- commerce entities and those of inventory e-commerce entities, and duties of sellers on marketplace.

The E-Commerce Rules further requires the e-commerce entity to appoint grievance officer and provide for a grievance redressal mechanism. Any violation of these rules attracts penal action under the Consumer Protection Act, 2019. Further, the Ministry of Consumer Affairs has amended the E- Commerce Rule via Consumer Protection (E-Commerce) (Amendment) Rules, 2021, pursuant to which the e-commerce entities are required to appoint a nodal officer or an alternate seniors designated functionary who is a resident in India to ensure compliance with the provisions of the Consumer Protection Act, 2019 and the rules made thereunder.

The Ministry of Consumer Affairs, Food and Public Distribution has on June 21, 2021 released proposed amendments to the E-Commerce Rules, 2020, for comments, which, amongst others, imposes new registration requirements for online retailers, mandatory partnering with the National Consumer helpline, a ban on "specific" flash sales and mandating sharing of information with Government agencies. Specific flash sales or back-to-back sales, which limit customer choices, increase prices and prevent a level playing field, will not be allowed. Further, the proposed changes would require that e-commerce businesses should mention the name and details of any importer from whom it has purchased such goods or services alongside providing alternative suggestions to customers before they make a purchase to ensure fair opportunity for domestic goods.

Additionally, the e-commerce entity shall not allow display or promotion of any misleading advertisement or engage in mis-selling of goods on the platform. The rules have also introduced the concept of "fall-back liability", which says that e- commerce businesses will be held liable in case a seller on their platform fails to deliver goods or services due to negligent conduct, which causes loss to the customer. Additionally, they would be required to share information within 72 hours with government agency which is lawfully authorised for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents.

Draft E-Commerce Policy, 2019 ("2019 Draft Policy")

In March 2019, the DPIIT had invited comments from stakeholders and the public on the 2019 Draft Policy. Among other items, the 2019 Draft Policy proposed that measures should be taken to regulate cross-border data flow, establish a level playing field for domestic and foreign e-commerce players, boost sale of domestic products through e-commerce, and generally regulate e-commerce in India DPIIT is currently working on a revised draft policy.

Drugs and Cosmetics Act, 1940 ("DCA"), the Drugs and Cosmetics Rules, 1945 ("DCA Rules") and the Cosmetics Rules, 2020

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Cosmetic Rules, 2020 introduced the concept of a 'new cosmetic' which was not provided for under the Drugs and Cosmetic Rules, 1945. A 'new cosmetic' contains a novel ingredient which has not been used anywhere in the world or is not recognized for use in cosmetics in any national and international literature. The new rules mandate importers/ manufacturers of a 'new cosmetic' to make an application and seek approval from the Central Licensing Authority ("**CLA**") before such a 'new cosmetic' can be imported or manufactured in India. Such an application should be accompanied with requisite data on safety and effectiveness. Testing of each batch of the raw materials used for manufacturing the cosmetics, and also each batch of the final product along with maintaining records or registers showing the particulars in respect of such tests, is a requirement under the rules. Also, it needs to be ensured that if cosmetics are manufactured at more than one premises, a separate application for each of such premises is made and a separate license is obtained for each such premises. The Cosmetic Rules further prescribes the labelling and packaging requirements to be followed for sale or distribution of cosmetics of Indian origin. Additionally, before any cosmetics are imported, a declaration signed by or on behalf of the manufacturer or importer that the cosmetics comply with the provisions of Chapter III of the Drugs and Cosmetics Act, 1940, and the rules made thereunder, shall be supplied to the Commissioner of Customs. The new rules prohibit the import and/or manufacture of cosmetics which do not comply with the prescribed specifications and other standards of safety and quality.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used, and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules define "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing and the sale of commodities in a packaged form intended for retail sale, wholesale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the Act and the Rules.

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA is an integrated food law that lays down standards and guidelines for consumer safety, protection of consumer health and regulation of the food sector. It consolidates the laws relating to food and provides for establishment of the Food Safety and Standards Authority of India ("**FSSAI**"). The FSSAI is responsible for laying down science-based standards for articles of food and to regulate their manufacture, packaging, storage, distribution, sale, and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto.

The Sale of Goods Act, 1930 (the "Sale of Goods Act")

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate.

The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law. The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediaries Rules**") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and also appoint a nodal officer and a resident grievance officer.

The Digital Personal Data Protection Bill, 2022 (the "DPDP Bill" or the "Bill")

The Ministry of Electronics and Information Technology released the new DPDP Bill on November 18, 2022. Once passed and codified, the DPDP Bill will replace the existing data protection provision (Section 43A) of the IT Act. The Bill seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Bill further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time. Data principals will have the right to demand the erasure and correction of data collected by the data fiduciary. Any data processed prior to such withdrawal shall be considered lawful. The Bill introduces the concept of 'deemed consent' in instances where the data principal provides personal data (i) to the data fiduciary voluntarily, (ii) for performance of function under any law, or service or benefit to the data principal, (iii) in compliance with a judgment or order, (iv) responding to medical emergency involving threat to life or immediate threat to health of the data principal, (v) for provision of medical treatment or health services during an epidemic, outbreak of diseases or any other public threat to public health, (vi) for taking measures to ensure safety during any disaster or any breakdown of public order, (vii) for purposes related to employment including prevention of corporate espionage, maintenance of confidentiality of trade secrets, intellectual property, classified information, recruitment, termination of employee, or (viii) in public interest as defined in the Bill.

It further imposes certain obligations on data fiduciaries including (i) implementation of technical and organisational measures to ensure compliance, (ii) adopting reasonable security safeguards to prevent personal data breach, (iii) ensuring that personal data processed is accurate and complete, (iv) informing the Data Protection Board of India (the "**Data Protection Board**") regarding any personal data breach, (v) deleting or removing personal data no longer in use or necessary for legal or business purposes, (vi) publishing the business contact information of the data protection officer, (vii) implementing a grievance redressal mechanism to redress grievances of data principals, and (viii) processing of data under a valid contract. The Bill provides for the rights and duties to be complied with the data principals. The Bill provides for exclusive jurisdiction of grievances to the Data Protection Board, with a recourse to alternative dispute resolution mechanisms. Any form of non-compliance shall attract financial penalty as prescribed in Schedule I of the Bill.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions. Further, we are also required to obtain trade licenses under the provisions of applicable state regulations.

LAWS RELATING TO ENVIRONMENT

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Plastic Waste Management Rules, 2016

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. The waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules, 2016 also requires the producers, importers and brand owners to collect back the plastic waste generated due to their products.

Laws related to intellectual property

Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, "Copyright Laws") serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. The Copyright Laws prescribe fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to register trademarks applied for in India and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark. Application for the registration of trademarks has to be made to Trade Marks registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use of intention to use a trademark in the future. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

Design Act, 2000 ("Design Act")

Design Act consolidates and amends the law relating to the protection of designs which came into force on May 11, 2001. Design Act is a complete code in itself and is statutory in nature and protects new or original designs from getting copied which cause loss to the proprietor. The proprietor upon registration gets 'copyrights in design' for the period of 10 years from the date of registration which can be renewed for a second period of five years, before the expiration of original period of 10 years. The controller registers a design under this Act after verifying that the design of any person, claiming to be the proprietor, is the new or original design not previously published anywhere in any country and is not against any public policy or morality. Any obvious or fraudulent imitation of a design, which is already registered, without the consent of its proprietor, is unlawful. It also prohibits the import of any material which closely resembles a registered design.

LAWS RELATING TO FOREIGN INVESTMENT

Foreign investment in India is governed by the provisions of the FEMA, the FEMA NDI Rules along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up equity share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

The consolidated Foreign Direct Investment Policy of 2020 (the "Consolidated FDI Policy")

The Department for Promotion of Industry and Internal Trade ("**DPIIT**"), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy. In terms of the FEMA NDI Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).

LAWS RELATING TO TAXATION

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- Income Tax Act, 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years;
- Customs Act, 1962;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State-wise legislations in relation to professional tax.

LAWS RELATING TO EMPLOYMENT

In addition to the aforementioned material legislations which are applicable to our Company, some of the labour legislations that may be applicable to the operations of our Company include:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- 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; and

- Labour Welfare Fund legislations.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

a) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

b) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government *vide* notification dated December 18, 2020, notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. The remaining provisions of this code will be brought into force on a date to be notified by the Central Government.

c) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The code proposes to provide for *inter alia* standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The provisions of this code will be brought into force on a date to be notified by the Central Government.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as 'Honasa Consumer Private Limited' at New Delhi as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 16, 2016, issued by the RoC. Subsequently, our Company was converted to a public limited company and the name of our Company changed to 'Honasa Consumer Limited' pursuant to a Shareholder's resolution dated October 26, 2022 and a fresh certificate of incorporation dated November 11, 2022 issued by the RoC.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the address of registered office	Reason
May 16, 2018	Change in registered office from 71, Mausam Apartment, West Enclave, Pitampura, New Delhi, 110 034, India to NA 208, Gali No. 7, Vishnu Garden, Delhi (West), 110 018, India	For administrative convenience
April 1, 2021	Change in registered office from NA 208, Gali No. 7, Vishnu Garden, Delhi (West), 110 018, India to 432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place, South Delhi, New Delhi 110 066, India	For administrative convenience
October 20, 2022	Change in registered office from 432, 4th Floor, Somdutt Chamber 2, Bhikaji Cama Place, South Delhi, New Delhi 110 066, India to Unit No. 404, 4th Floor, City Center, Plot No. 05, Sector - 12, Dwarka – South West Delhi, New Delhi – 110 075, India.	For operational convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

(1) *To carry on the business of marketing, manufacturer of all kinds of goods, products, commodities and services as traders, wholesaler, distributors, stockiest, dealers, agents, suppliers, importers, repurchase and consultants of various items on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.*

(2) *To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, which includes but is not limited to, beauty, fitness, personal health care, skin care, hair care, diet related, home remedies, homeopathy, ayurvedic, herbal and other alternative medical or therapeutic treatments, wellness products and equipment's and any other women centric products on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table set forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of the amendments
September 19, 2016	Adoption of new Memorandum of Association
October 4, 2016	Clause V of the Memorandum of Association of our Company was amended to reflect increase and reclassification in authorised share capital of our Company from ₹ 100,000 divided into 10,000 equity shares of face value of ₹ 10 each to ₹ 500,000 divided into (i) 40,000 Equity Shares of face value of ₹ 10 each and (ii) 10,000 Class A NCCCPS of face value of ₹ 10 each
August 8, 2017	Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹500,000 divided into (i) 40,000 Equity Shares of face value of ₹10 each and (ii) 10,000 Class A NCCCPS of face value of ₹10 each to ₹518,850 Equity Shares divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 10,000 Class A NCCCPS of face value of ₹10 each; and (iii) 1,885 Class B NCCCPS of face value of ₹10 each

Date of Shareholders' resolution/Effective date	Details of the amendments
April 16, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹518,850 Equity Shares divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 10,000 Class A NCCCPS of face value of ₹10 each and (iii) 1,885 Class B NCCCPS of face value of ₹10 each to ₹576,850 divided into (i) 40,000 Equity Shares of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 10,000 Class A NCCCPS of face value of ₹10 each and (iv) 1,885 Class B NCCCPS of ₹10 each.
August 14, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹576,850 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 10,000 Class A NCCCPS of face value of ₹10 each and (iv) 1,885 Class B NCCCPS of ₹10 each to ₹625,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 10,000 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; and (v) 4,845 Class C NCCCPS of face value of ₹10 each
December 16, 2019	Clause V of the Memorandum of Association of our Company was amended to reflect the reclassification in the authorised share capital of our Company from ₹625,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 10,000 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; and (v) 4,845 Class C NCCCPS of face value of ₹10 each to ₹625,300 (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; and (v) 4,845 Class C NCCCPS of face value of ₹10 each and (vi) 4,161 Class D NCCCPS of face value of ₹10 each Pursuant to a special resolution passed by the Shareholders of our Company dated December 16, 2019, 10,000 Class A NCCCPS were reclassified to 5,839 Class A NCCCPS and 4,161 Class D NCCCPS.
April 24, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorised share capital of our Company from ₹625,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; (v) 4,845 Class C NCCCPS of face value of ₹10 each and (vi) 4,161 Class D NCCCPS of face value of ₹10 each to ₹725,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; (v) 4,845 Class C NCCCPS of face value of ₹10 each; (vi) 4,161 Class D NCCCPS of face value of ₹10 each and (vii) 10,000 Class E NCCCPS of face value of ₹10 each
December 3, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the reclassification in the authorised share capital of our Company from ₹725,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; and (v) 4,845 Class C NCCCPS of face value of ₹10 each; (vi) 4,161 Class D NCCCPS of face value of ₹10 each and (vii) 10,000 Class E NCCCPS of face value of ₹10 each to ₹725,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; (v) 4,845 Class C NCCCPS of face value of ₹10 each; (vi) 4,161 Class D NCCCPS of face value of ₹10 each; (vii) 5,000 Class E NCCCPS of face value of ₹10 each; and (viii) 5,000 Class F NCCCPS of face value of ₹10 each Pursuant to a special resolution passed by the Shareholders of our Company dated December 3, 2021, 10,000 Class E NCCCPS were reclassified to 5000 Class E NCCCPS and 5,000 Class F NCCCPS.
April 28, 2022	Clause V of the Memorandum of Association of our Company was amended to reflect the reclassification in the authorised share capital of our Company from ₹725,300 divided into (i) 40,000 Equity Shares of face value of ₹10 each; (ii) 580 equity shares of face value of ₹100 each; (iii) 5,839 Class A NCCCPS of face value of ₹10 each; (iv) 1,885 Class B NCCCPS of face value of ₹10 each; (v) 4,845 Class C NCCCPS of face value of ₹10 each; (vi) 4,161 Class D NCCCPS of face value of ₹10 each; (vii) 5,000 Class E NCCCPS of face value of ₹10 each; and (viii) 5,000 Class F NCCCPS of face value of ₹10 each to ₹1,400,351,400 divided into (i) 140,000,000 Equity Shares of face value of ₹10 each; (ii) 290 equity shares of face value of ₹90 each; (iii) 580 equity shares of face value of ₹100 each; (iv) 5,839 Class A NCCCPS of face value of ₹10 each; (v) 1,885 Class B NCCCPS of face value of ₹10 each; (vi) 4,845 Class C NCCCPS of face value of ₹10 each; (vii) 4,161 Class D NCCCPS of face value of ₹10 each; (viii) 5,000 Class E NCCCPS of face value of ₹10 each; and (ix) 5,000 Class F NCCCPS of face value of ₹10 each
October 26, 2022	• Clause I of the MoA was amended to reflect the change in name of our Company from 'Honasa Consumer Private Limited' to 'Honasa Consumer Limited' pursuant to the conversion of our Company from a private limited company to a public limited company • Clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorised share capital of our Company from ₹1,400,351,400 divided into (i) 140,000,000 Equity Shares of face value of ₹10 each; (ii) 290 equity shares of face value of ₹90 each; (iii) 580 equity shares of face value of ₹100 each; (iv) 5,839 Class A NCCCPS of face value of ₹10 each; (v) 1,885 Class B NCCCPS of

Date of Shareholders' resolution/Effective date	Details of the amendments
	face value of ₹10 each; (vi) 4,845 Class C NCCCPS of face value of ₹10 each; (vii) 4,161 Class D NCCCPS of face value of ₹10 each; (viii) 5,000 Class E NCCCPS of face value of ₹10 each; and (ix) 5,000 Class F NCCCPS of face value of ₹10 each to ₹3,400,351,400 divided into (i) 340,000,000 Equity Shares of face value of ₹10 each; (ii) 290 equity shares of face value of ₹90 each; (iii) 580 equity shares of face value of ₹100 each; (iv) 5,839 Class A NCCCPS of face value of ₹10 each; (v) 1,885 Class B NCCCPS of face value of ₹10 each; (vi) 4,845 Class C NCCCPS of face value of ₹10 each; (vii) 4,161 Class D NCCCPS of face value of ₹10 each; (viii) 5,000 Class E NCCCPS of face value of ₹10 each; and (ix) 5,000 Class F NCCCPS of face value of ₹10
December 17, 2022	Clause III(a) of the Memorandum of Association was substituted for the following clause: *(1) To carry on the business of marketing, manufacturer of all kinds of goods, products, commodities and services as traders, wholesaler, distributors, stockiest, dealers, agents, suppliers, importers, repurchase and consultants of various items on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner.* (2) *To carry on the business of purchasing, selling, distributing, trading, acting as an agent, franchising, collaborating exporting, importing, merchandising, manufacturing, designing, packaging and dealing with all kinds of products, goods, commodities, merchandise, accessories and equipment's relating to, which includes but is not limited to, beauty, fitness, personal health care, skin care, hair care, diet related, home remedies, homeopathy, ayurvedic, herbal and other alternative medical or therapeutic treatments, wellness products and equipment's and any other women centric products on the Company's online portals or websites as well as through e-commerce, m-commerce, internet, intranet, stores, stalls or kiosks set up across India or abroad or in any other manner*

Major events and milestones our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar year	Milestone
2016	Our Company launched our flagship brand Mamaearth that focuses on developing toxin-free beauty products made with natural ingredients
2017	Raised funding led by Fireside
2018	Shilpa Shetty Kundra invested in our Company
2018	Raised funding led by Stellaris
2020	Launched 'The Derma Co.' – our science-backed product powered with active ingredients
2020	Raised funding led by Sequoia
2020	Crossed annual revenue of ₹1,000 million in Financial Year 2020
2021	Raised funding led by Sofina
2021	Launched Aqualogica – our hydrating skincare brand designed for Indian skin types
2021	Launched our 1st EBO for Mamaearth
2021	Launched Ayuga – our ayurvedic product in easy-to-use, modern formats for Indian millennials
2021	Acquired Momspresso – a content platform providing meaningful and relevant content to women
2022	Acquired BBlunt – professional hair care and styling products enabling salon like experience at home
2022	Acquired Dr. Sheth's – A bio-actives based skincare designed by three-generations of skin specialist
2022	Launched the 'Mamaearth x Femina Beautiful Indians' campaign to recognise and reward acts of goodness in society

Awards and accreditations

Details of key awards received are set out below:

Calendar Year	Name of the award
2019	Our Company won the Super Start Ups Asia award by Startup Asia
2019	Our Company won the Best Brands award for 'Mamaearth' by Economic Times
2020	Our Company won the 2020 BASES Breakthrough Innovations 2020 award by Nielsen
2020	Our Company was awarded the Great Place to Work (for December 2020- November 2021) by Great Places to Work Institute, India
2020	Our Company won the Times of India Most Valued Mother & Child Brands 2020 award for 'Mamaearth'
2020	Varun Alagh won the 40 Under 40 achievers award by Economic Times
2021	Our Company won the India's Most Admired Brand award by Prestigious Brands of Asia- BARC for 'Mamaearth'
2021	Our Company was awarded the Amazon Step Ace Award for 'Mamaearth' by Amazon
2021	Our Company was awarded the Top Woman Flipstar 2021 award for 'Mamaearth' by Flipkart
2021	Our Company was awarded the Great Place to Work (for November 2021- December 2022) by Great Places to Work Institute,

Calendar Year	Name of the award
	India
2022	Our Company was awarded the Young Turks Start-up of the Year award by CNBC-TV18's India Business Leader Award 2022 for ‘Mamaearth’
2022	Ghazal Alagh won the GQ’s 30 Most Influential Young Indians of 2022 by GQ India
2022	Ghazal Alagh won the Economic Times x Femina Promising Women Leaders of India
2022	Our Company won the Amazon Seller Flex Champion 2022 for “Mamaearth”
2022	Our Company won the Economic Times Most Promising Brand 2022 award for “Mamaearth”
2022	Our Company won the FlipStars Award 2022 award for ‘Mamaearth’ as an assured seller from the Flipkart Seller Hub
2022	Our Promoter, Ghazal Alagh won the Dare to Dream Award 2022 – Woman Entrepreneur of the Year (North) by SAP, TV9Network
2022	Our Company won the ‘Dare to Dream’ Emerging Company of the Year (North) award by SAP, TV9Network
2022	Varun Alagh won the D2C Icons of India award by Shiprocket
2022	Our Company won the Grazia Most Loved Brands Awards, 2022 for “Mamaearth”
2022	Our Company was recognised by Burgundy Private Hurun for India’s 500 most valuable companies for ‘Mamaearth’
2022	Ghazal Alagh won the BW 40 Under 40 achievers award

Corporate profile of our Company

For our corporate profile including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see “*Risk Factors*”, “*Our Business*”, “*Our Management*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and on pages 35, 139, 180 and 290, respectively.

Time and cost overruns

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling/ restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company’s borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of outlets

For details regarding locations of our outlets, see “*Our Business*” on page 139.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see “*Our Business*” and “*– Major Events and Milestones of our Company*” on pages 139 and 172, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus, except the investment in the securities of our Subsidiaries:

(i) **Just4Kids**: Our Company acquired 74.32% of the shareholding of Just4Kids in terms of the share purchase and share subscription agreement dated December 22, 2021 (“**Just4Kids SPSSA**”), between our Company, Just4Kids, Vishal Gupta, Prashant Sinha and Mohamed Asif (“collectively, “**Founders**”). As on the date of this Draft Red Herring Prospectus, our Company holds 76.68% of the shareholding of Just4Kids (on a fully diluted basis). The Founders, Just4Kids and our Company has also entered into a shareholders’ agreement dated December 22, 2021 as amended by the amendment agreement dated June 24, 2022 providing for certain rights to the shareholders of Just4Kids. For further details regarding Just4Kids, its business and certain corporate information see, *“Our Business*” and *“- Our Subsidiaries*” on page 139 and 174.

Our Company has also entered into a memorandum of understanding dated October 20, 2022 between Mohamed Asif, Vishal Gupta, Prashant Sinha to amend the Just4Kids SPSSA to extinguish certain rights in relation to retention bonuses payable to Mohamed Asif, Vishal Gupta and Prashant Sinha in the form of Equity Shares. Accordingly, as on the date of this Draft Red Herring Prospectus there are no rights to Equity Shares outstanding under the Just4Kids SPSSA.

(ii) **Fusion**: Our Company acquired 62.96% of the shareholding (on a fully diluted basis) of Fusion in terms of the share purchase and share subscription agreement dated February 17, 2022, entered into between our Company, Fusion, Aneesh Sheth, Ashit Sheth and other investors of Fusion. Our Company, Fusion and Aneesh Sheth has also entered into a shareholders' agreement dated February 17, 2022, providing for certain rights to the shareholders of Fusion. In terms of the first addendum dated August 11, 2022 to the shareholder's agreement dated February 17, 2022 entered amongst our Company, Aneesh Sheth and Fusion, the shareholding of our Company was revised from 62.96% (on a fully diluted basis) to 63.07% (on a fully diluted basis) considering net debt adjustments. Further, pursuant to the share purchase agreement dated October 20, 2022, our Company purchased additional 33.23% of equity shares of Fusion from Aneesh Sheth.

Pursuant to the board resolution dated December 9, 2022 passed by the board of directors of Fusion, the notional employee stock option pool which consisted of 72,282 options was extinguished and as on the date of this Draft Red Herring Prospectus, our Company holds 100% of the share capital of Fusion on a fully diluted basis. For further details in relation to Fusion, it's the business operations and certain corporate information, see, *"Our Business*" and *"-Our Subsidiaries*" on page 139 and 174;

(iii) **BBlunt**: Our Company acquired 100% of the equity shareholding of Bblunt in terms of the share purchase agreement entered amongst our Company, BBlunt, Ashoke Ashish Bhabani, Adhuna Bhabani, Avan Contractor, Godrej Consumer Products Limited and STRB Holdings ("**Parties**") and share subscription agreement entered amongst the Parties, each, dated February 14, 2022. For further details in relation to BBlunt, its business operations and certain corporate information see, *"Our Business*" and *"-Our Subsidiaries*" on page 139 and 174. BBlunt had acquired 100% of the shareholding of B:Blunt-Spratt Hairdressing Private Limited in terms of the share purchase agreement dated February 14, 2022, between BBlunt, BBlunt Spratt, Robert Spratt, Gauri Spratt and Shauna Spratt pursuant to which B:Blunt-Spratt Hairdressing Private Limited is an indirect subsidiary of our Company. For further details, see "*-Our Subsidiaries– Indirect Subsidiaries - B:Blunt-Spratt Hairdressing Private Limited"* on page 177.

Our Company also entered into certain agreements with Bblunt and Godrej Consumer Products Limited in relation to rights associated with, and for the use of, the "Bblunt" and related brand names and intellectual property including formulations, designs, packaging, labels and the associated goodwill associated of such intellectual property.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint venture.

Further, as on the date of this Draft Red Herring Prospectus, our Company has five direct Subsidiaries and one indirect Subsidiary. The details of our Subsidiaries have been provided below:

Direct Subsidiaries

1. Just4Kids Services Private Limited ("Just4Kids")

Corporate Information

Just4Kids was incorporated on June 3, 2010, as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the RoC. Its registered office is situated at Plot no. 56, 2nd Floor, 'Indo Asia House' Institutional Area, Sector 44, Gurugram, Haryana 122 002, India. The CIN is U80302HR2010PTC107239. Our Company acquired Just4Kids pursuant to the Just4Kids SPSSA. For further details see, - *Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 173.

Nature of Business

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.

Capital Structure

The authorised share capital of Just4Kids is ₹1,900,000 divided into (i) 100,000 equity shares having face values of ₹10 each; (ii) 20,000 0.1% series A compulsory convertible preference shares having face value of ₹10 each; (iii) 5,000 0.1% series B compulsory convertible preference shares having face value of ₹100 each; (iv) 20,000 series A1 compulsorily convertible preference shares having face value of ₹10 each. The issued, subscribed and paid up capital of Just4Kids is ₹957,610 divided into (i) 58,641 equity shares of face value of ₹10 each; (ii) 17,838 0.1% series A compulsorily convertible preference shares of ₹10 each and (iii) 19,282 series A1 compulsorily convertible preference shares of ₹10.

Shareholding

The shareholding pattern of Just4Kids as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares (including vested ESOPs)	No. of compulsory convertible preference shares	% of total issued and subscribed capital	% of total issued and subscribed capital (on a fully diluted basis)*
Our Company	36,796	-	38.42	76.68
	-	17,838[(1)]	18.63	
	-	19,282[(2)]	20.14	
Mohamed Asif	5,996	-	6.26	6.22
Prashant Sinha	7,925	-	8.28	8.22
Vishal Gupta	7,924	-	8.27	8.22
Vested employee stock options	636	-	-	0.66
Total	**59,277**	**37,120**		**100**

(1) Series A compulsory convertible preference shares having face value of ₹10 each
(2) Series A1 compulsory convertible preference shares having face value of ₹10 each
** The percentage of the equity share capital on a fully diluted basis has been calculated on the basis of total equity shares held by a shareholder and such number of equity shares which will result upon conversion of any preference shares held by such shareholder and vested employee stock options schemes*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Just4Kids that have not been accounted for or consolidated by our Company.

2. Bhabani Blunt Hairdressing Private Limited ("BBlunt")

Corporate Information

BBlunt was incorporated on August 24, 2004 as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Its registered office is situated at Ground Floor, Block No. 1, Kohinoor Building, 29, Hughes Road, Mumbai, 400 007, India. The CIN is U93020MH2004PTC148187. Our Company acquired BBlunt pursuant to the share purchase and subscription each dated February 14, 2022. For further details see, - *Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 173

Nature of Business

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.

Capital Structure

The authorised share capital of Bblunt is ₹500,000 divided into divided into 50,000 Equity shares of ₹10 each and its issued, subscribed and paid-up equity share capital is ₹235,210 divided into 23,521 equity shares of ₹10 each.

Shareholding

The shareholding pattern of Bblunt as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of ₹ 10 each	% of total issued and subscribed capital
Our Company	23,520	99.99
Varun Alagh (holding as a nominee of our Company)	1	0.01
Total	**23,521**	**100**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Bblunt that have not been accounted for or consolidated by our Company.

3. Fusion Cosmeceutics Private Limited ("Fusion")

Corporate Information

Fusion was incorporated on June 30, 2003 as a private limited company under the Companies Act, 1956. Its registered office is situated at 106, Maker Bhavan, No. 3, New Marine Lines, Mumbai 400 020, India. the CIN is U24230MH2003PTC141101. Our Company acquired Fusion pursuant to the share purchase and share subscription agreement dated February 17, 2022 and October 20, 2022. For further details see *"Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 173.

Nature of Business

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.

Capital Structure

The authorized share capital of Fusion is ₹20,510,000 divided into (i) 1,165,000 equity shares of face value of ₹10 each, (ii) 886,000 compulsory convertible preference shares of face value ₹10 each and its issued, subscribed and paid up share capital is ₹18,851,480 divided into (i) 1,000,045 equity shares of face value of ₹10 each; (ii) 8,85,103 compulsory convertible preference shares of face value ₹10 each.

Shareholding

The shareholding pattern of Fusion as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of ₹10 each	No. of preference shares of ₹10 each	% of total issued and subscribed capital (on a fully diluted basis)
Our Company	1,000,044	885,103	99.99
Varun Alagh (holding as a nominee of our Company)	1	-	0.01
Total	**1,000,045**	**885,103**	**100**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Fusion that have not been accounted for or consolidated by our Company.

4. PT Honasa Consumer Indonesia ("Honasa Indonesia")

Corporate Information

Honasa Indonesia was incorporated on February 18, 2022. Its registered office is situated at Sahid Sudirman Center, 11th Floor, Suite A, Jalan Jenderal Sudirman No. Kav. 86, Desa/ Kelurahan Karet Tengsin, Kec. Tanah Abang, Kota Adm. Jakarta Pusat, Provinsi DKI Jakarta, Kode Pos: 10220. The business identification number of Honasa Indonesia is 1802220058896.

Nature of Business

Honasa Indonesia is engaged 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.

Capital Structure

The authorized share capital of Honasa Indonesia is IDR 10,001,000,000, divided into 10,001 shares, each share has a nominal value of IDR 1,000,000.

Shareholding

The shareholding pattern of Honasa Indonesia as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares/ compulsory convertible preference shares	% of total issued and subscribed capital
Our Company	9,991	99.90
Varun Alagh (holding as nominee of our Company)	10	0.10
Total	**10,001**	**100**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Honasa Indonesia that have not been accounted for or consolidated by our Company.

5. **Honasa Consumer General Trading LLC ("Honasa General Trading")**

Corporate Information

Honasa General Trading was incorporated and received its commercial license on June 23, 2022 as a limited liability company. Its registered office is situated at Trade Center – 1, Office No. 1403 – 08, Bur Dubai, owned by galleria, Investments LLC, Dubai, United Arab Emirates.

Nature of Business

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.

Capital Structure

The authorized share capital of Honasa General Trading is AED 100,000 divided into 1,000 shares of AED 100 each and its issued, subscribed and paid up AED 100,000 divided into 1,000 shares of AED 100 each.

Shareholding

The shareholding pattern of Honasa General Trading as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares/ compulsory convertible preference shares	% of total issued and subscribed capital
Our Company	1,000	100
Total	**1,000**	**100**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Honasa General Trading that have not been accounted for or consolidated by our Company.

Indirect Subsidiaries

1. **B:Blunt-Spratt Hairdressing Private Limited ("B:Blunt Spratt")**

Corporate Information

B:Blunt Spratt was incorporated on April 26, 2011 as a private limited company under the Companies Act, 1956, pursuant to the certificate of incorporation issued by the Registrar of Companies, Karnataka at Bangalore. Its registered office is situated at Spratt, Ground Floor, Marielle Apartments, Corp. No. 3, 3/1, 3/2, Magrath Road, Bangalore, 560025, Karnataka, India. The CIN is U93000KA2011PTC058323.

Nature of Business

B:Blunt Spratt is engaged in the business of running beauty parlours, hair cutting salons to provide specialized 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.

Capital Structure

The authorized share capital of B:Blunt-Spratt is ₹12,000,000 divided into 120,000 equity shares of ₹100 each and its issued, subscribed and paid up equity share capital is ₹11,000,000 divided into 110,000 shares of ₹100 each.

Shareholding

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of Equity Shares/ compulsory convertible preference shares	% of total issued and subscribed capital
BBlunt	109,999	99.99
Varun Alagh (holding as a nominee of BBlunt)	1	0.01
Total	**110,000**	**100**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Bblunt-Spratt that have not been accounted for or consolidated by our Company.

Shareholders' agreements and other agreements

Shareholder's Agreement dated December 16, 2021 entered into between and amongst the Company, the Promoters, Suhail Sameer, Fireside Ventures Trust, Sofina, Fireside Ventures Fund, SCI, Stellaris, Kunal Bahl, Rohit Kumar Bansal, Rishabh Harsh Mariwala and Evolvence India Fund III Ltd ("Parties") (the "December 2021 SHA") as amended pursuant to the amendment agreement dated February 4, 2022, read with the waiver letter dated March 31, 2022, executed amongst the shareholders formally documenting the agreement amongst all the Shareholders on April 1, 2021 for waiver of the buy-back obligation of the Company, executed amongst the Parties, as amended pursuant to the SHA Amendment Agreement dated December 15, 2022

The SHA sets out the rights and obligations of the parties thereto in relation to their respective shareholding in the Company and other rights including governance and management of the Company and matters in connection therewith, in supersession of the November 2016 SHA, August 2017 SHA, August 2018 SHA, December 2019 SHA and July 2021 SHA.

Under the SHA, SCI, Fireside Ventures Fund, Sofina and Stellaris ("**Principal Investors**") have a right to appoint one nominee director each on the Board, till such investors hold at least 6% of the share capital of our Company (on a fully diluted basis)("**Threshold Shareholding**"). The Promoters have a right to appoint two nominee Directors, till such time the collective shareholding of the Promoters is at least equal to the Threshold Shareholding. Each of the Class A NCCCPs, Class B NCCCPS, Class C NCCCPS, Class D NCCCPS, Class E NCCCPS and Class F NCCCPS investors have a right to appoint an observer on the Board, till such time the shareholding of such investor is at least equal to the Threshold Shareholding.

The Principal Investors also have affirmative voting rights on certain matters, including for any amendments to our Company's or our Subsidiary's memorandum or articles of association, change in the size or composition of the board of directors or respective ESOP pools. The Principal Investors also have pre-emptive and anti-dilution rights, as well as rights of first refusal on the shares of the Promoters or Shareholders other than the Principal Investors, Evolvence India Fund III Ltd and Evolvence India Coinvest PCC, invested through its Cell E, Kunal Bahl, Rohit Bansal and Rishabh Harsh Mariwala, rights of first offer on the shares of Kunal Bahl, Rohit Bansal, Rishabh Harsh Mariwala and Evolvence India Fund III Ltd and Evolvence India Coinvest PCC, invested through its Cell E; as well as certain tag-along and drag along rights. Further, the Qualifying Investors (i.e. (i) such investors that, together with their respective affiliates, hold or (ii) Kunal Bahl and Rohit Kumar, if collectively, hold, at least 3% of the total paid up share capital of the Company determined on a fully diluted basis) also have information rights such as to receive inter alia management information system of the Company, audited financial statements, etc.

Under the terms of the SHA, as amended by the SHA Amendment Agreement, the Company and the Promoters have agreed to indemnify the Investors (as defined in the SHA) and their respective nominee directors (past or present) and/or observers in such respective capacities against, including but not limited to, (i) contravention of any applicable law by the Company, (ii) any acts, omissions or conduct by the Company, the Promoters or their employees or agents as a result of which the nominee directors or observers are made a party to or otherwise incur any loss pursuant to any action, suit, claim or proceeding, or any action or failure to act by the nominee director or observer at the request of or with the consent of the Company or any of the Promoters, (iii) any damages arising out of or relating to any misstatements and omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities laws by the Company or any other error or omission of the Company in connection with a public offering, other than with respect to information provided by such Investor in writing expressly for inclusion therein, and (iv) in accordance with the terms of the respective share subscription agreements. Any such indemnification obligations shall be subject to and limited to the extent permissible under Applicable Laws, and subject to there being no direction, order or communication to the contrary from the SEBI, the Stock Exchanges or any other regulatory authority, and the Promoters shall not have any indemnity obligations towards such persons upon the consummation of the IPO.

In accordance with the terms of the SHA Amendment Agreement, the SHA shall stand terminated automatically without any action undertaken by the parties, upon the consummation of the Offer i.e. the date of receipt of final listing and trading approvals from the Stock Exchanges for commencement of listing and trading of the Equity Shares, except for certain clauses relating to the indemnification (in accordance with the terms of the respective share subscription agreements), confidentiality, costs and governing law and dispute resolution that will continue to survive such termination.

The SHA Amendment Agreement will stand automatically terminated on the earlier of: (a) December 31, 2024, or such extended cut-off date for the IPO as may be mutually agreed in writing among the Parties, if the consummation of the IPO has not happened by such date; (ii) such date till which the observations of the SEBI on this Draft Red Herring Prospectus are valid; and (iii) the date on which the Board decides not to undertake the Offer or to withdraw any offer document filed in respect of the Offer, including this Draft Red Herring Prospectus ("**Long Stop Date**").

Following the consummation of the Offer, and subject to Applicable Law and approval of the Shareholders by way of a special resolution in the first general meeting convened after the consummation of the IPO, (i) SCI (acting together) shall be entitled to nominate one non-executive nominee director on the Board till such time as its shareholding, along with its affiliates holding securities of our Company, is at least 10% of the share capital of our Company on a fully diluted basis, and (ii) our Promoters shall, till such time that they continue to be promoters of our Company, as defined under the SEBI ICDR Regulations, have the right to (a) nominate two directors to the Board; and (c) appoint a person or nominate themselves as the chairman of the Board (however, such chairman shall not have a casting vote).

In terms of the SHA Amendment Agreement, certain waivers have been granted by the relevant shareholders until the Long Stop Date in respect of rights of first refusal, tag-along and other rights associated with listing of the securities of our Company, information rights, as well as obligations of our Company to obtain prior consent from relevant shareholders and procedural requirements for proceedings of the Board and shareholder meetings, to the extent of actions and matters required for the facilitation of the IPO.

Other material agreements

Except as disclosed above under "- *Shareholder's Agreements and other Agreements*" and *"- Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on page 178 and 173, our Company has not entered into any material agreement with strategic partners or financial partners, to the extent applicable, other than in the ordinary course of business.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

Our Promoters have not given any guarantee to a third party.

Agreements with Key Managerial Personnel, Director, Promoters, or any other employee

Except the ESOP Schemes, our Key Managerial Personnel, Director, Promoters, or any other employee have not entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company. For further details, see *"Capital Structure – 25.Employee Stock Options Scheme of our Company – a. ESOP 2018"* and *"Capital Structure – 25. Employee Stock Options Scheme of our Company – b. ESOP 2021"* on pages 90 and 94.

OUR MANAGEMENT

In terms of the Articles of Association, our Company can have a maximum of 15 directors. As on the date of this Draft Red Herring Prospectus, our Board has six directors comprising of two Whole-time Directors, one Non-Executive Director and three Independent Directors, including one woman Independent Director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, designation, period, term of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
1.	**Varun Alagh** **Designation:** Chairman, Whole-time Director and Chief Executive Officer **Period of Directorship:** Director since September 16, 2016 **Term:** Liable to retire by rotation **Address:** H. No. 2904, Sector 46, Gurgaon 122 003, Haryana, India **Occupation:** Business **Date of Birth:** February 1, 1984 **DIN:** 07597289 **Age:** 38 years	• B:Blunt-Spratt Hairdressing Private Limited; • Bhabani Blunt Hair Dressing Private Limited; • Fusion Cosmeceutics Private Limited; and • Just4Kids Services Private Limited.
2.	**Ghazal Alagh** **Designation:** Whole-time Director and Chief Innovation Officer **Period of Directorship:** Director since September 16, 2016 **Term:** Liable to retire by rotation **Address:** H. No. 2904, Sector 46, Gurgaon 122 003, Haryana, India **Occupation:** Business **Date of Birth:** September 22, 1988 **DIN:** 07608292 **Age:** 34 years	• Just4Kids Services Private Limited.
3.	**Ishaan Mittal** **Designation:** Non-Executive Director(1) **Period of Directorship:** Director since January 3, 2020 **Term:** With effect from January 3, 2020, until such nomination is revoked by SCI **Address:** D 502, Pearl Gateway Tower Sector, 44, Noida, Gautam Budh Nagar, Noida, 201 301, Uttar Pradesh, India **Occupation:** Service **Date of Birth:** December 23, 1987 **DIN:** 07948671 **Age:** 34 years	• Finova Capital Private Limited; and • Girnar Software Private Limited.
4.	**Vivek Gambhir** **Designation:** Independent Director	• HOB Ventures Private Limited; • Imagine Marketing Limited;

S. No.	Name, designation, period, term of directorship, term, address, occupation, date of birth, DIN and age	Other directorships
	Period of Directorship: Director since March 24, 2021 **Term:** With effect from March 24, 2021 for a period of five years **Address:** D-84, Malcha Marg, Chanakyapuri, New Delhi 110 021, Delhi, India **Occupation:** Salaried executive **Date of Birth:** November 27, 1968 **DIN:** 06527810 **Age:** 54 years	• Kaha Technologies Private Limited; • Metropolis Healthcare Limited; • Samast Technologies Private Limited; and • Harvard Business School Club of India
5.	**Subramaniam Somasundaram** **Designation:** Independent Director **Period of Directorship:** Director since February 11, 2022 **Term:** With effect from February 11, 2022 for a period of five years **Address:** No.-46, Chaithanya Smaran, Whitefield Hoskote Main Road, Kadugodi Post, Bengaluru 560 067, Karnataka, India **Occupation:** Service **Date of Birth:** November 28, 1960 **DIN:** 01494407 **Age:** 62 years	• API Holdings Limited; • Avanti Finance Private Limited; • Innoviti Technologies Private Limited; • Teamlease Services Limited; • Titan Commodity Trading Limited; and • Landmark Retail FZE, Dubai.
6.	**Namita Gupta** **Designation:** Independent Director **Period of Directorship:** Director since June 8, 2022 **Term:** With effect from June 8, 2022 for a period of five years **Address:** E-71, Phase 5, DLF Belaire, Golf Course Road Gurgaon, Sikanderpur Ghosi, (68), Dlf Qe, Farukhnagar, Gurgaon , Haryana 122002, India **Occupation:** Business **Date of Birth:** July 19, 1978 **DIN:** 07337772 **Age:** 44 years	• Airveda Technologies Private Limited; and • Zomato Limited

(1) *Nominee of SCI*

Brief Biographies of Directors

Varun Alagh is one of the Promoters of our Company. He is the Chairman, Whole-time Director and the Chief Executive Officer of our Company. He holds a bachelor's degree of engineering (electrical) from the University of Delhi, Delhi and a post-graduate diploma in business management from XLRI, Jamshedpur. He has been associated with our Company as a promoter and a director since September 16, 2016. Previously, he has worked with corporations such as Hindustan Lever Limited, Diageo India Private Limited for over a year and Coca-Cola India Private Limited.

Ghazal Alagh is one of the Promoters of our Company. She is a Whole-time Director and the Chief Innovation Officer of our Company. She holds a bachelor's degree of computer applications from Panjab University, Chandigarh and a certification in software engineering from the academic council of the NIIT Academy, New Delhi. She has been associated with our Company as a promoter and director since September 16, 2016.

Ishaan Mittal is a Non-Executive Director of our Company and a nominee of SCI on our Board. He holds a bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Delhi and a master's degree in business administration from Harvard University, Commonwealth of Massachusetts. He has been associated with our Company as a director since January 3, 2020. Previously, he has worked with the Boston Consulting Group (India) Private Limited for a period of over a year and is working with Sequoia Capital India for a period of over eight years where he is currently working as "Managing Director".

Vivek Gambhir is an Independent Director of our Company. He holds a bachelor's degree in arts and a bachelor's degree of science from the Lafayette College, Pennsylvania. Further, he holds a master's degree in business administration from Harvard Business School, Commonwealth of Massachusetts. He has been associated with our Company as a director since March 24, 2021. Previously, he has worked with Bain & Company India Private Limited for a period of over 11 years where he was last associated as "Partner", and with Godrej Consumer Products Limited for a period of over 11 years where he was last associated as "Whole-time Director". 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.

Subramaniam Somasundaram is an Independent Director of our Company. He holds a bachelor's degree of commerce from University of Madras, Madras and is a chartered accountant and cost accountant. Previously, he was the chief financial officer for Titan Company Limited for a decade. Currently he is also an Independent Director on the boards of Teamlease Services Limited, Avanti Finance Private Limited, API Holdings Limited, Landmark Retail FZE (Dubai) and Innoviti Technologies Private Limited. He has worked in the telecom industry for over 11 years as well, as the chief financial officer for BPL Mobile group and chief executive officer for BPL Mobile operations in Mumbai and chief financial officer of the telecom vertical in Essar group. He has also worked earlier in his career with I.T.C Limited, V.S.T Industries Limited in India and Mannai Corporation Limited, Qatar.

Namita Gupta is as Independent Director of our Company. She holds a master's degree of technology in mathematics and computing from the Indian Institute of Technology, Delhi. She has been associated with our Company as a director since June 8, 2022. Previously, she has worked with Microsoft Corporation. She has also worked with Facebook Inc. for a period of over five years where she was last associated as "Partner Engineer". Further, she is also serving as an independent director on the board of directors at Zomato Limited since March 1, 2021 and is the founder and currently on the board of directors of Airveda Technologies Private Limited.

Relationship between our Directors

Except for Ghazal Alagh and Varun Alagh who are spouses, none of our Directors are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company

None of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of our Directors

Varun Alagh

Varun Alagh was one of the first directors of our Company. He was subsequently appointed as the Whole-time Director of our Company for a period of five years beginning from January 1, 2020, pursuant to board resolution dated November 15, 2019 and shareholders resolution dated December 16, 2019.

Further, pursuant to a resolution dated November 15, 2019 passed by our Board and a resolution dated December 16, 2019 passed by the Shareholders the terms of his remuneration and appointment have been set out in accordance with the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details of the remuneration payable to Varun Alagh with effect from January 1, 2022 as per the board resolution dated January 6, 2022 is provided below:

Remuneration	
Particulars	**Amount (in ₹ per annum)**
Basic salary	7,500,000
House rent allowance	3,750,000
City Compensatory Allowance	3,706,800
Employer's provident fund contribution	21,600
Employee's provident fund contribution	21,600
Total	15,000,000

Subject to applicable law, the remuneration payable to Varun Alagh shall stand revised with effect from April 1, 2023 as set out below, in accordance with board resolution dated December 15, 2022 and the shareholders' approval in the general meeting dated December 17, 2022 and employment agreement dated December 22, 2022 ("**Employment Agreement 1**") entered between Company and Varun Alagh :

Particulars	Remuneration
Fixed Salary	₹ 20,000,000
Variable pay	As evaluated by the Board or its relevant committees based on the annual performance of the organization subject to the overall ceiling of 100% of fixed pay or 2% of Profit Before Tax (whichever is lower)
Statutory Benefits	(i) Provident fund as per the Company Policies and applicable Law; (ii) Gratuity as per Company Policies; and (iii) All other statutory benefits the Employee is entitled to under applicable Law.
Other Benefits	(i) Benefits as applicable to the Employee under the Company Policies.

In terms of the Employment Agreement 1, Varun Alagh is entitled to following payment of benefits upon termination of employment 'as a good leaver':

(i) Cash payment equivalent to the Employee's last drawn fixed pay for 12 months.

Ghazal Alagh

Ghazal Alagh was one of the first directors of our Company. She was subsequently appointed as the Whole-time Director of our Company for a period of five years beginning from January 1, 2020, pursuant to a board resolution dated November 15, 2019 and shareholders resolution dated December 16, 2019.

Further, pursuant to a resolution dated November 15, 2019 passed by our Board and a resolution dated December 16, 2019 passed by the Shareholders the terms of her remuneration and appointment have been set out in accordance with the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details of the remuneration payable to Ghazal Alagh with effect from January 1, 2022 as per the board resolution dated January 6, 2022 is provided below:

Remuneration	
Particulars	**Amount (in ₹ per annum)**
Basic salary:	5,000,000
House rent allowance	2,500,000
City Compensatory Allowance	2,456,800
Employer's provident fund contribution	21,600
Employee's provident fund contribution	21,600
Total	**10,000,000**

Subject to applicable law, the remuneration payable to Ghazal Alagh shall stand revised with effect from April 1, 2023 as set out below, in accordance with board resolution dated December 15, 2022 and the shareholders' approval in the general meeting dated December 17, 2022 and employment agreement dated December 22, 2022 ("**Employment Agreement 2**") entered between Company and Ghazal Alagh :

Particulars	Remuneration
Fixed Salary	₹ 14,400,000
Variable pay	As evaluated by the Board or its relevant committees based on the annual performance subject to the overall ceiling of 100% of fixed pay

Particulars	Remuneration
Statutory Benefits	(i) Provident fund as per the Company Policies and applicable Law; (ii) Gratuity as per Company Policies; and (iii) All other statutory benefits the Employee is entitled to under applicable Law.
Other Benefits	(i) Benefits as applicable to the Employee under the Company Policies.

In terms of the Employment Agreement 2, Ghazal Alagh is entitled to following payment of benefits upon termination of employment 'as a good leaver':

(i) Cash payment equivalent to the Employee's last drawn fixed pay for 12 months.

Remuneration to our Whole-time Directors

Details of the remuneration paid to our Whole–time Directors in Financial Year 2022 are set forth below:

S. No.	Name of Executive Director	Remuneration* (in ₹ million)
1.	Varun Alagh	11.31
2.	Ghazal Alagh	7.43

**The remuneration does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Group.*

Remuneration to our non-executive Directors

Non- Executive Directors

Pursuant to the resolution dated June 8, 2022 passed by our Board, with effect from April 1, 2022 for a period of five years, the Non-Executive Directors and Independent Directors are entitled to receive an annual commission which shall not exceed 1% of the net profits of the Company, subject to a maximum aggregate amount of ₹ 10 million. No remuneration was paid to our Non- Executive Director in the Financial Year 2022.

Independent Directors

Pursuant to the resolution dated June 8, 2022 passed by our Board with effect from April 1, 2022 for a period of five years, the Independent Directors are entitled to receive a sitting fee of ₹ 100,000 for attending each meeting of our Board and various committees of the Board and commission as described above in "- *Remuneration to our non- executive Directors – Non-Executive Directors*" on page 184.

No remuneration was paid to our Independent Directors in the Financial Year 2022.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2022.

Remuneration paid to our Directors by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, none of our Directors are entitled to remuneration from our Subsidiaries. Further, none of our Directors received any remuneration from our Subsidiaries in Financial Year 2022 and no contingent or deferred compensation payable to any of our Directors by our Subsidiaries accrued in Financial Year 2022.

Our Company does not have any associate company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than Ishaan Mittal who is nominated by SCI to our Board under the terms of the SHA, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors has been appointed on the Board. For further details on nomination rights to our Board of Directors, see "*History and Certain Corporate Matters - Shareholders' Agreements and Other Agreements*" on page 178.

Service Contracts with Directors

For details, see "- *Terms of appointment of our Directors*" on page 182.

Bonus or profit-sharing plan for Directors

Except for the variable pay payable to Varun Alagh and Ghazal Alagh as part of their employment agreements and pursuant to resolution passed by our Board in its meeting held on December 15, 2022, our Company does not have any bonus or profit-sharing plan for Directors.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the pre-Offer equity share capital on a fully diluted basis (%)
1.	Varun Alagh	106,737,650	78.29	34.30
2.	Ghazal Alagh	10,065,200	7.38	3.23
Total		**116,802,850**	**85.67**	**37.53**

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "-*Terms of appointment of our Directors"* on page 182.

Except Varun Alagh and Ghazal Alagh, who are the promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested as members, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested as members, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in board
Vettakkorumakankav Siva Subramaniam Sita	October 20, 2022	Resigned as Non-Executive Nominee Director on behalf of Fireside Venture Fund
Namita Gupta	September 30, 2022	Regularised as Independent Director
Subramaniam Somasundaram	September 30, 2022	Regularised as Independent Director
Namita Gupta	June 8, 2022	Appointment as Additional Director (Non-Executive, Independent)
Rahul Chowdhri	June 8, 2022	Resigned as Non-Executive Nominee Director on behalf of Stellaris
Subramaniam Somasundaram	February 11, 2022	Appointment as Additional Director (Non-Executive, Independent)
Vivek Gambhir	March 24, 2021	Appointment as Independent Director

Borrowing powers of the Board

Pursuant to our Articles of Association, our Board may from time to time, at its discretion, raise or borrow funds or any sums of money for and on behalf of our Company from our Shareholders or from other persons, companies or banks, subject to applicable provisions of the Companies Act.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, stakeholders relationship committee, nomination and remuneration committee, corporate social responsibility committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board comprises of two Whole-time Directors, one Non-Executive Director and three Independent Directors, including one woman Independent Director. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below.

Audit Committee

The members of the Audit Committee are:

1. Subramaniam Somasundaram, Chairman of the committee;
2. Vivek Gambhir; and
3. Ishaan Mittal.

The Audit Committee was constituted pursuant to a resolution dated October 20, 2022 passed by our Board. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated October 20. 2022 passed by our Board are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of the Company;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of outsiders with relevant expertise if it considers necessary; and

(e) such powers as may be prescribed under the Companies Act and Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) 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;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   i) 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 Companies Act, 2013;

   ii) changes, if any, in accounting policies and practices and reasons for the same;

   iii) major accounting entries involving estimates based on the exercise of judgment by management;

   iv) significant adjustments made in the financial statements arising out of audit findings;

   v) compliance with listing and other legal requirements relating to financial statements;

   vi) disclosure of any related party transactions;

   vii) modified opinion(s) in the draft audit report;

(e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) 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 utilized 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;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of the Company 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;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of the Company, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) 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;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) 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;

(q) 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;

(r) 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;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) carrying out any other function as is mentioned in the terms of reference of the audit committee;

(v) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore 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

(w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses; and

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(e) statement of deviations:

    (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

    (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(f) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(g) Such information as may be prescribed under applicable law, including the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Vivek Gambhir, Chairman of the Committee;
2. Namita Gupta; and
3. Ishaan Mittal.

The Nomination and Remuneration Committee was constituted pursuant to a resolution dated October 20, 2022 passed by our Board. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated October 20, 2022 passed by our Board are set forth below:

(a) 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:

   (i) 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;

   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (iii) 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.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) 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:

   (i) use the services of an external agencies, if required;

   (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   (iii) consider the time commitments of the candidates.

(d) devising a policy on Board diversity;

(e) 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);

(f) 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;

(g) recommend to the Board, all remuneration, in whatever form, payable to senior management;

(h) 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.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Namita Gupta, Chairperson of the committee;

2. Ghazal Alagh; and

3. Subramaniam Somasundaram.

The Stakeholders' Relationship Committee was constituted pursuant to resolution dated October 20, 2022 passed by our Board. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated October 20, 2022 passed by our Board are set forth below:

(a) Resolving the grievances of the security holders of the Company 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.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(d) Review of the various measures and initiatives taken by the Company 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

(e) 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.

Risk Management Committee

The members of the risk management committee are:

1. Subramaniam Somasundaram, Chairman of the committee;

2. Varun Alagh; and

3. Ishaan Mittal.

The Risk Management Committee was constituted pursuant to a resolution dated October 20, 2022 passed by our Board. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated October 20, 2022 passed by our Board are set forth below:

1. To formulate a detailed risk management policy which shall include:

    (a) A framework for identification of internal and external risks specifically faced by the company, 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.

    (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. 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.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

1. Ghazal Alagh, Chairperson of the committee;

2. Namita Gupta; and

3. Varun Alagh.

The corporate social responsibility committee was constituted by our Board pursuant to a resolution dated March 8, 2022 passed by our Board and reconstituted on October 20, 2022. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated October 8, 2022 passed by our Board are set forth below:

(a) 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;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

(d) 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.

IPO Committee

The members of the IPO Committee are:

1. Varun Alagh;

2. Vivek Gambhir; and

3. Ishaan Mittal.

Invitees:

1. Raman Preet Sohi, CFO; and

2. Dhanraj Dagar, Company Secretary.

The IPO committee was constituted by our Board pursuant to a resolution dated July 26, 2022 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated July 26, 2022 passed by our Board are set forth below:

(a) To decide, in consultation with the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;

(b) To amend the terms of participation by the Selling Shareholders in the Offer for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;

(c) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(d) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(e) To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

(f) To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

(g) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(h) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(i) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(j) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(k) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(l) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(m) To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

(n) To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

(o) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

(p) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(q) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

(r) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

(s) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(t) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

(u) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, and the relevant stock exchange(s) where the Equity Shares are to be listed;

(v) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(w) To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company;

(x) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(y) To approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

(z) Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

(aa) taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;

(bb) to withdraw the DRHP or the RHP or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

(cc) To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

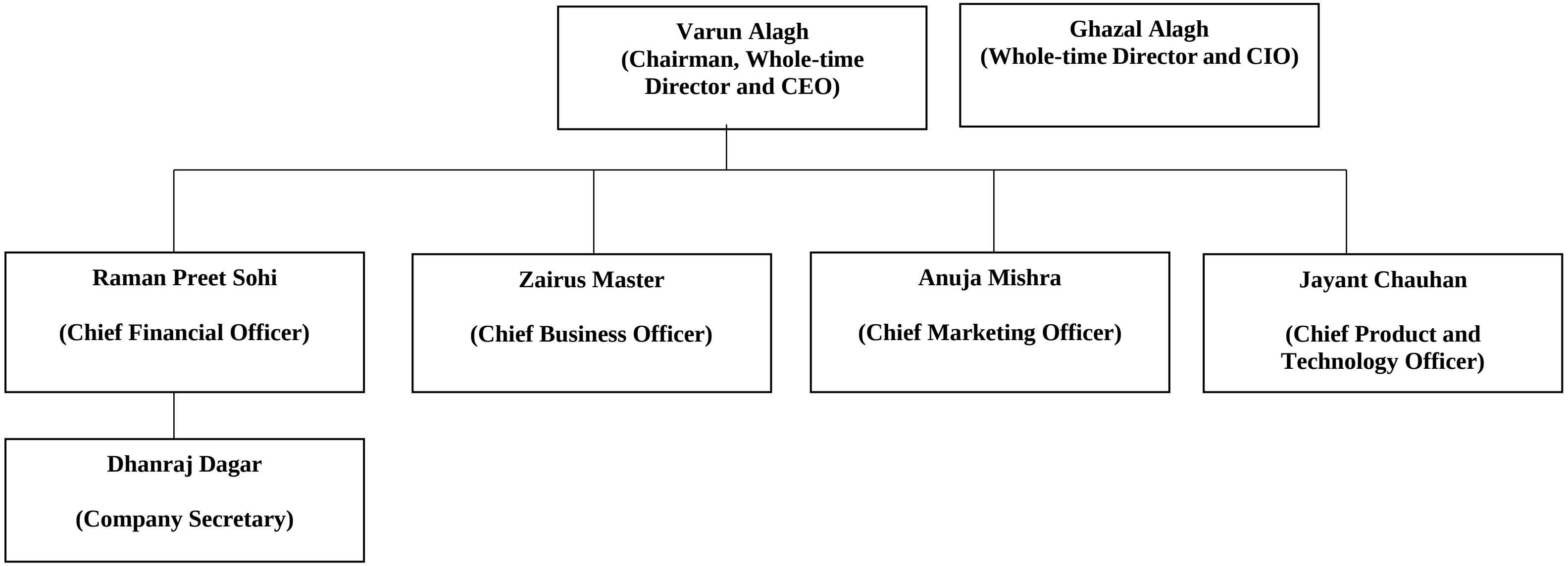
Management Organisation Structure

Board of Directors

Varun Alagh	Ghazal Alagh	Ishaan Mittal	Vivek Gambhir	Subramaniam Somasundaram	Namita Gupta
(Chairman, Whole-time Director and CEO)	(Whole-time Director and CIO)	(Non-Executive Director)*	(Independent Director)	(Independent Director)	(Independent Director)

* *Nominee of SCI*

Key Managerial Personnel



Key Managerial Personnel

In addition to Varun Alagh and Ghazal Alagh, who are Whole-Time Directors of our Company, the details of the Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set forth below:

Raman Preet Sohi is the Chief Financial Officer of our Company. He is responsible for establishing and executing the financial strategy of the Company. He joined our Company on April 27, 2020. He holds a bachelor's degree of commerce from Panjab University, Chandigarh and a post-graduation diploma in management in international business from Symbiosis Institute of Management Studies, Pune. Previously, he worked with Drums Food International Private Limited as the chief financial officer for a period of over a year. During Financial Year 2022, he received a gross remuneration of ₹ 22.23 million from our Company.

Dhanraj Dagar is the Company Secretary and the compliance officer of our Company. He joined our Company on May 11, 2022. He holds a bachelor's degree of commerce from Bangalore University and a bachelor's degree of law from Maneklal Nanavati Law College, Gujrat University. He was also admitted as an associate member of the Institute of Companies Secretaries of India. Previously, he has worked with Zydus Wellness Limited, as company secretary and compliance officer. He has also worked with Chirpal Industries Limited, Narmada Bio-Chem Limited, Nirma Limited as legal manager and DS-Max Properties Private Limited. He did not receive remuneration in the Financial Year 2022 as he was appointed in the present Financial Year.

Zairus Master is the Chief Business Officer of our Company. He is responsible for setting and achieving business targets of the Company and provide guidance for different revenue channels. He joined our Company on August 16, 2021. He holds a post-graduate diploma in management from Indian Institute of Management, Lucknow. Previously, he has worked with Bharti Airtel Limited as "senior vice president – marketing". During Financial Year 2022, he received a gross remuneration of ₹ 9.89 million from our Company.

Jayant Chauhan is the Chief Product and Technology Officer of our Company. He is responsible to formulate a vision for use of technology in the Company and implement new technologies. He joined our Company on November 2, 2020. He holds a master's degree of technology in mathematics and computing (5-year integrated programme) from Indian Institute of Technology, Delhi. Previously, he has worked with Policybazaar Group of Companies for a period of over a year where he was last designated as "Director – Technology". During Financial Year 2022, he received a gross remuneration of ₹ 21.30 million from our Company.

Anuja Mishra is the Chief Marketing Officer of our Company. She is responsible for drafting and executing the marketing strategy of the organization. She joined our Company on March 10, 2022. She holds a bachelor's degree of arts (honours course) from University of Delhi, Delhi and post graduate diploma in business management from Management Development Institute, Gurgaon. Previously, she has worked with Hewitt Associates India Private Limited for a period of over a year, Nestle India Limited for a period of over a year and Pepsico India Holdings Private Limited for 10 years and was last designated as "associate director – brand marketing flavours". During Financial Year 2022, she received a gross remuneration of ₹ 2.71 million from our Company.

For brief biographies of Varun Alagh and Ghazal Alagh, see "– *Brief Biographies of Directors*" on page 181. For details of compensation paid to them during Financial Year 2022, see "–*Remuneration to our whole-time Directors*" on page 184.

Relationship between our Key Managerial Personnel and Directors

Except for Ghazal Alagh and Varun Alagh who are spouses, none of our Key Managerial Personnel are related to each other.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Other than the (a) Whole-time Directors of our Company, who are the Promoters and shareholders of our Company, and (b) Raman Preet Sohi, Dhanraj Dagar, Zairus Master, Jayant Chauhan and Anuja Mishra who are interested in our Company to the extent of the ESOPs held by them and the resultant shareholding from such ESOPs respectively, none of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Bonus or profit-sharing plans for our Key Managerial Personnel

Except for bonus payable to our Key Managerial Personnel as part of their employment agreements and pursuant to resolution passed by our Board in its meeting held on December 15, 2022, our Company does not have any bonus or profit-sharing plan.

Shareholding of Key Managerial Personnel in our Company

Except as disclosed in " – *Shareholding of Directors in our Company*" on page 184, and in the section "*Capital Structure – Share capital history of our Company*" on pages 79, none of our Key Managerial Personnel hold any Equity Shares.

For details of ESOPs held by our Key Managerial Personnel, see "*Capital Structure – 25. Employee Stock Options Scheme of our Company*" on page 90.

Changes in our Key Managerial Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below:

Name	Date of change	Reason for change
Raman Preet Sohi	July 26, 2022	Appointment as CFO under Section 203 of the Companies Act
Varun Alagh	July 26, 2022	Appointed as CEO under Section 203 of Companies Act (in addition to Whole-time Director)
Ghazal Alagh	July 26, 2022	Appointment as Chief Innovation Officer (in addition to Whole-time Director)
Dhanraj Dagar	May 11, 2022	Appointed as Company Secretary
Anuja Mishra	March 10, 2022	Appointed as Chief Marketing Officer
Zairus Master	August 16, 2021	Appointed as Chief Business Officer
Jayant Chauhan	November 2, 2020	Appointed as Chief Product and Technology Officer
Raman Preet Sohi	April 27, 2020	Appointed as Chief financial officer

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed or selected as a Key Managerial Personnel pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others**.**

Contingent and deferred compensation payable to our Key Managerial Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel which accrued in Fiscal 2022.

Payment or benefit to officers of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 184 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except for the remuneration for services rendered as Directors, officers or employees of our Company and as disclosed in " – *Interests of Directors*" on page 185 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company's officers including the Key Managerial Personnel in the two years preceding the date of this Draft Red Herring Prospectus.

Employee stock option plan and employee stock purchase plan

For details of our ESOP Schemes, see "*Capital Structure*" on page 79.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Varun Alagh and Ghazal Alagh.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 116,802,850 Equity Shares in our Company, representing 37.53% of the issued, subscribed and paid-up equity share capital of our Company, on a fully diluted basis. For further details, see "*Capital Structure - Shareholding of our Promoters and Promoter Group*", on page 88.

Details of our Promoters

Varun Alagh, aged 38 years, is the Chairman and a Whole-time Director on our Board, and the Chief Executive Officer of our Company.

For a complete profile of Varun Alagh, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, special achievements, business and other financial activities, see "*Our Management*", "*History and Certain Corporate Matters – Awards and Accreditations*", and "*Our Business –Awards and Accolades"* on pages 180, 172 and 163.

His PAN is AGEPA6168M.

Ghazal Alagh, aged 34 years, is a Whole-time Director on our Board, and the Chief Innovation Officer of our Company.

For a complete profile of Ghazal Alagh, along with details of her date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, special achievements, business and other financial activities, see "*Our Management*", "*History and Certain Corporate Matters – Awards and Accreditations*", and "*Our Business –Awards and Accolades"* on pages 180, 172 and 163.

Her PAN is CIWPS9731A.

Our Company confirms that the PANs, bank account numbers, passport numbers, aadhaar card numbers and driving license numbers of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters are the original Promoters of our Company.

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that (i) they have promoted our Company; and (ii) to the extent of their shareholding in our Company, directly and indirectly; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", beginning on page 79.

Our Promoters, who are also Directors and CEO and CIO of our Company, respectively, may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any in their capacity as Directors. Our Promoters are not entitled to remuneration from our Subsidiaries as on the date of this Draft Red Herring Prospectus. For further details, see "*Our Management – Remuneration to our Whole-time Directors*", "*Our Management – Payment or benefit to officers of our Company*", "*Our Management – Remuneration paid to our Directors by our Subsidiaries" and "Our Management – Interests of Directors*" on pages 184, 195, 184 and 185.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except remuneration payable to them in their capacity as Directors and CEO and CIO, respectively, in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" on page 286 , no amount or benefit has been paid or given to our Promoters, Varun Alagh and Ghazal Alagh or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group. Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Other than our Subsidiaries, our Promoters do not have any interest in a venture that is involved in any activities similar to those conducted by our Company.

Other ventures of our Promoters

Other than as disclosed in "- *Promoter Group*" and at "*Our Management* " on pages 197 and 180, our promoters are not involved in any other ventures.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group (other than our Promoters)

S. No.	Name of the Promoter	Name	Relationship
1.	Varun Alagh	Mukesh Alagh	Father
		Jaspal Alagh	Mother
		Agastya Alagh	Son
		Ayaan Alagh	Son
		Kailash Sahni	Spouse's father
		Sunita Sahni	Spouse's mother
		Chirag Sahni	Spouse's brother
		Sahiba Chauhan	Spouse's sister
2.	Ghazal Alagh	Kailash Sahni	Father
		Sunita Sahni	Mother
		Chirag Sahni	Brother
		Sahiba Chauhan	Sister
		Agastya Alagh	Son
		Ayaan Alagh	Son
		Mukesh Alagh	Spouse's father
		Jaspal Alagh	Spouse's mother

Entities forming part of our Promoter Group

S. No.	Name of the Entity
1.	Ayaaga Ventures LLP
2.	Ghazal Alagh LLP
3.	Printech India*
4.	Kailash Sahni & Family**

* *Partnership firm*
***Hindu Undivided Family (HUF)*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies with which there were related party transactions as disclosed as per Ind AS 24 during any of the last three Financial Years in respect of which the Restated Ind AS Summary Statements are included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board. For the purposes of (ii) above, pursuant to the resolution passed by our Board at its meeting held on November 24, 2022, the Board has approved that no companies shall be considered material.

In accordance with the Materiality Policy, for the purposes of disclosure in the Offer Documents, such companies shall be considered material by the Board and disclosed as Group Companies in the Offer Documents, i.e., companies which hold more than 10% of the Company's share capital and monetary value of the Company's transactions with such companies in Financial Year 2022 or relevant stub period (i.e., the six months ended September 30, 2022), respectively, for which Restated Ind AS Summary Statements are included in the DRHP ("**Relevant Period**"), exceeds individually or in the aggregate 10% of the total restated revenue or expenses of the Company, whichever is lower, for such financial year and the relevant stub period, respectively.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has not identified any group companies.

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DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act.

The dividend policy of our Company was adopted and approved by our Board in their meeting held on December 23, 2022 ("**Dividend Distribution Policy**"). In terms of the Dividend Distribution Policy, the quantum of dividend to be distributed, if any, will depend on a number of factors, including, but not limited to, internal factors such as, profitability, free cash flow, growth plans, earning stability, investment opportunities, and external factors, such as changes in government policies, changes in regulatory provisions, economic environment, and cost of external financing . In addition, the ability of our Company to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities. For further details, please see "*Financial Indebtedness*" and "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" beginning on pages 287 and 58, respectively.

Our Company has not declared dividends on the Equity Shares during the current Financial year and the preceding three Financial Years.

SECTION V: FINANCIAL INFORMATION

RESTATED IND AS SUMMARY STATEMENTS

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Independent Auditors' Examination Report on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at March 31, 2022 and September 30, 2022, the Restated Ind AS Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), Restated Ind AS Consolidated Summary Statement of Changes in Equity and the Restated Ind AS Consolidated Summary Statement of Cash Flows for the year ended March 31, 2022 and period ended September 30, 2022 and the summary of significant accounting policies and explanatory notes; Restated Ind AS Standalone Summary Statement of Assets and Liabilities as at March 31, 2021 and March 31, 2020, Restated Ind AS Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), Restated Ind AS Standalone Summary Statement of Changes in Equity and the Restated Ind AS Standalone Summary Statement of Cash Flows for the year ended March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes (collectively, the 'Restated Ind AS Summary Statements').

To
The Board of Directors
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
Plot No. 63, BLM Tower, 4th Floor, Sector 44
Gurugram, Haryana - 122003

Dear Sirs:

1. We have examined the attached Restated Ind AS Summary Statements of Honasa Consumer Limited (formerly Honasa Consumer Private Limited) (the "Company") and its subsidiaries, (the Company together with its subsidiaries hereinafter referred to as "the Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed initial public offering of equity shares of face value of Rs. 10 each of the Company (the "Offer"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company at their meeting held on December 15, 2022, have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note"); and
   d) E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter").

Management's Responsibility for the Restated Ind AS Summary Statements

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

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:

   a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated October 11, 2022, requesting us to carry out the assignment, in connection with the proposed Offer of the Company;

b) E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI lLetter").
c) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics Issued by ICAI;
d) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; and
e) the requirements of Section 26 of the Act and the ICDR Regulations.

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

4. The Company proposes to make an Offer at such price arrived at by the book building process (referred to as the 'Issue'), as may be decided by the Company's Board of Directors.

Restated Ind AS Summary Statements

5. These Restated Ind AS Summary Statements have been compiled by the management of the Company from:

   a) Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable which was approved by the Board of Directors at their meeting held on August 31, 2022;

   b) Audited Ind AS interim consolidated financial statements of the Group as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on December 15, 2022.

   c) Audited special purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on December 15, 2022 .

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

The Special purpose Ind AS standalone financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30,2022 pursuant to the SEBI Letter.

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

Name of the Entity	**Relationship**	**Name of Audit Firm**	**Period audited by Other Auditors**
Just4Kids Services Private Limited	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022, December 24,2021 (Date of Acquisition) to March 31, 2022
Bhabani Blunt Hairdressing Private Limited	Subsidiary	MM Nissin and Co LLP	March 16,2022 (Date of Acquisition) to March 31, 2022
Bhabani Blunt Hairdressing Private Limited	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022
B:Blunt-Spratt Hairdressing Private Limited	Subsidiary	Shivarama Iyer & Associates	March 16,2022 (Date of Acquisition) to March 31, 2022
B:Blunt-Spratt Hairdressing Private Limited	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022
Fusion Cosmeceutics Private Limited	Subsidiary	Sharp & Tannan	April 06,2022 (Date of Acquisition) to September 30, 2022

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

a) Auditors' report issued by us, dated August 31, 2022 on Audited Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 as referred in Paragraph 5(a) above.

b) Auditors' report issued by us, dated December 15, 2022 on the Audited Ind AS Interim Consolidated Financial Statements of the Group as at and for the six-month period ended September 30, 2022 as referred in Paragraph 5 (b) above.

c) Auditors' report issued by us, dated December 15, 2022 on the Audited Special Purpose Ind AS Standalone Financial Statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 as referred in Paragraph 5(c) above.

d) As indicated in Paragraph 5 (d) above, we did not audit the financial statements of subsidiaries as at and for the period ended March 31, 2022 and as at and for the period ended September 30, 2022, whose financial statements reflect total assets, total revenues and net cash inflows / (outflows), as tabulated below and included in the Restated Ind AS Summary Statements:

. (Rs. in millions)

As at and for the period ended	**Total assets of subsidiaries**	**Total revenue of subsidiaries**	**Net cash inflow/ (outflow) of subsidiaries**
March 31, 2022	675.15	119.09	(11.65)
September 30, 2022	963.85	451.17	42.17

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5 above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in Para 5(a) and 5(b) above are based solely on the report of other auditors.

7. (a) The audit reports on Special purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 referred to in paragraph 6(c) above included the following emphasis of matter which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements):

- As at and for the year ended March 31, 2021
  "Emphasis of matter – Basis of preparation and restriction of use
  We draw attention to Note 1.1 to the Special Purpose Ind AS standalone financial statements, which describes the basis of preparation of these Special Purpose Ind AS standalone financial statements which states that these Special Purpose Ind AS standalone financial statements have been prepared to comply with E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare these financial statements in accordance with Indian Accounting Standards (Ind AS) and that these are required based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter"). Accordingly, the Special Purpose Ind AS standalone financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.

- As at and for the year ended March 31, 2020
  "Emphasis of matter – Basis of preparation and restriction of use
  We draw attention to Note 1.1 to the Special Purpose Ind AS standalone financial statements, which describes the basis of preparation of these Special Purpose Ind AS standalone financial statements which states that these Special Purpose Ind AS standalone financial statements have been prepared to comply with E-mail dated June 24, 2022 received from BRLMs, which confirms that the Company should prepare these financial statements in accordance with Indian Accounting Standards (Ind AS) and that these are required based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter"). Accordingly, the Special Purpose Ind AS standalone financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter.

(b) The auditors' report on the Indian GAAP financial statements referred to in paragraph 5(c)above included qualifications on matters included in our report on the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act as at and for the years ended March 31, 2021 and March 31, 2020 which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements). Further our report under Section 143(3)(i) of the Act on the audit of Internal Financial Controls with reference to those financial statements as at and for the year ended March 31, 2020 included disclaimer of opinion which did not require any corrections (included in Annexure VII in the attached Restated Ind AS Summary Statements).

8. In respect of examination performed by Other Auditors:

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

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

9. Based on our examination and according to the information and explanations given to us as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and as at and for the six-month period ended September 30, 2022 and also as per the reliance placed on the examination reports submitted by Other Auditors as at and for the period ended March 31, 2022 and as at and for the six-month period ended September 30, 2022 in respect of the Company's subsidiaries, we report that Restated Ind AS Summary Statements:

   i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six-month period ended September 30, 2022;

   ii. There are no qualifications in the auditors' reports on the Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2022 and on the Audited special purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020 and Audited Ind AS interim consolidated financial statements of the Group as at and for the six-month period ended September 30, 2022, which require any adjustments to the Restated Ind AS Summary Statements.

       However, items relating to emphasis of matter, as referred to in paragraph 7(a) above and those qualifications on matters included in our report on the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act as at and for the years ended March 31, 2021 and March 31, 2020 and our report under Section 143(3)(i) of the Act on the audit of Internal Financial Controls with reference to those financial statements as at and for the year ended March 31, 2020 included disclaimer of opinion, as referred to in paragraph 7(a) above, all of which do not require any corrective adjustments in the Restated Ind AS Summary Statements , have been disclosed in Annexure VII to the Restated Ind AS Summary Statements; and

   iii. Have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and the SEBI Letter.

10. We have not audited any financial statements of the Group as of any date or for any period subsequent to September 30, 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to September 30, 2022.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the audited Ind AS interim consolidated financial statements mentioned in paragraph 5(b) above.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

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

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803BFNLPP1429

Place of Signature: Bengaluru
Date: December 15, 2022

Annexure A

<u>List of subsidiaries where Other Auditors have issued their examination reports</u>

Subsidiaries not audited by us

Sl. No	Name of the subsidiary	Name of the other auditor	Period covered
1	Just4Kids Services Private Limited	Sharp & Tannan	Six-month period ended September 30, 2022 December 24, 2021 (Date of Acquisition) to March 31, 2022
2	Bhabani Blunt Hairdressing Private Limited	Sharp & Tannan	March 16, 2022 (Date of Acquisition) to March 31, 2022, Six-month period ended September 30, 2022
3	B:Blunt-Spratt Hairdressing Private Limited	Sharp & Tannan	March 16,2022 (Date of Acquisition) to March 31, 2022, Six-month period ended September 30, 2022
4	Fusion Cosmeceutics Private Limited	Sharp & Tannan	April 06,2022 (Date of Acquisition) to September 30, 2022

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure I - Restated Ind AS Summary Statement of Assets and Liabilities
(All amounts in Rs. million, except as otherwise stated)

	Notes	Consolidated		Standalone	
		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Assets					
Non-current assets					
Property, plant and equipment	3(a)	65.57	43.71	11.26	4.15
Capital work in progress	3(b)	10.12	-	-	-
Goodwill	4(a) & 7	1,888.38	1,732.90	-	-
Other Intangible assets	4(b)	1,256.72	1,107.28	-	0.01
Right-of-use assets	6	736.14	532.14	199.60	5.94
Intangible assets under development	5	-	18.83	-	-
Financial assets					
i. Other financial assets	9	938.10	846.16	60.61	3.12
Income tax assets (net)	10	48.06	48.61	1.52	0.57
Other non-current assets	15	13.13	-	-	-
Total non-current assets		**4,956.22**	**4,329.63**	**272.99**	**13.79**
Current assets					
Inventories	11	1,221.31	658.52	413.47	136.71
Financial assets					
i. Investments	8	2,415.35	3,385.09	1,644.26	1,243.28
ii. Trade receivables	12	1,419.00	727.86	338.43	106.06
iii. Cash and cash equivalents	13	94.70	337.45	97.59	19.16
iv. Bank balances other than cash and cash equivalents	14	869.50	539.40	109.95	244.99
v. Other financial assets	9	103.39	46.32	4.48	7.84
Other current assets	15	479.49	325.85	145.22	38.29
Total current assets		**6,602.74**	**6,020.49**	**2,753.40**	**1,796.33**
Total assets		**11,558.96**	**10,350.12**	**3,026.39**	**1,810.12**
Equity and liabilities					
Equity					
Equity share capital	16	1,363.03	0.13	0.13	0.13
Instruments entirely in the nature of equity	17	17,929.36	17,929.36	-	-
Other equity	18	(12,011.07)	(10,873.25)	(17,651.56)	(4,371.83)
Equity attributable to equity holders of the parent		**7,281.32**	**7,056.24**	**(17,651.43)**	**(4,371.70)**
Non-Controlling Interest		105.40	-	-	-
Total equity		**7,386.72**	**7,056.24**	**(17,651.43)**	**(4,371.70)**
Non-current liabilities					
Financial liabilities					
i. Borrowings	19	-	-	19,539.99	5,927.56
ii. Lease liabilities	6	661.45	497.96	185.88	3.60
iii. Other financial liabilities	20	462.37	598.81	-	-
Provisions	21	45.66	35.54	9.55	3.24
Deferred tax liabilities (net)	24(b)	63.14	85.60	14.20	-
Total non-current liabilities		**1,232.62**	**1,217.91**	**19,749.62**	**5,934.40**
Current liabilities					
Financial liabilities					
i. Borrowings	19	72.54	35.86	-	-
ii. Lease liabilities	6	119.20	62.47	17.43	0.22
iii. Trade payables	23				
(a) Total outstanding due of micro enterprises and small enterprises		51.77	34.99	121.27	76.97
(b) Total outstanding due of creditors other than micro enterprises and small enterprises		2,224.38	1,668.53	682.15	142.04
iv. Other financial liabilities	20	244.55	129.53	45.13	10.72
Provisions	21	31.44	23.89	9.46	2.57
Other current liabilities	22	146.04	120.70	52.76	14.90
Income tax liability (net)	24(a)	49.70	-	-	-
Total current liabilities		**2,939.62**	**2,075.97**	**928.20**	**247.42**
Total liabilities		**4,172.24**	**3,293.88**	**20,677.82**	**6,181.82**
Total equity and liabilities		**11,558.96**	**10,350.12**	**3,026.39**	**1,810.12**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary 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: December 15, 2022

For and on behalf of the Board of Directors of
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

Varun Alagh
Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary

Place: Gurugram
Date: December 15, 2022

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure II - Restated Ind AS Summary Statement of Profit and Loss
(All amounts in Rs. million, except as otherwise stated)

	Notes	Consolidated		Standalone	
		Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Income					
Revenue from operations	25	7,227.35	9,434.65	4,599.90	1,097.84
Other income	26	93.34	208.80	121.11	43.83
Total income (I)		**7,320.69**	**9,643.45**	**4,721.01**	**1,141.67**
Expenses					
Purchases of traded goods	27	2,695.78	3,047.68	1,607.77	490.38
Increase in inventories of traded goods	28	(568.61)	(213.29)	(280.71)	(122.61)
Employee benefits expenses	29	777.87	788.46	277.59	89.02
Depreciation and amortization expenses	30	110.42	68.95	17.12	6.46
Finance costs	31	30.66	30.05	9.75	0.49
Other expenses	32	4,183.29	5,697.21	2,723.15	719.51
Change in fair valuation of preference shares	19	-	-	13,612.43	4,238.68
Total expenses (II)		**7,229.41**	**9,419.06**	**17,967.10**	**5,421.93**
Restated Profit/(loss) before tax (III=I-II)		**91.28**	**224.39**	**(13,246.09)**	**(4,280.26)**
Tax expenses					
Current tax	24(b)	78.13	64.11	61.89	-
Deferred tax charge/(credit)	24(b)	(23.52)	15.85	14.17	-
Total tax expenses (IV)		**54.61**	**79.96**	**76.06**	**-**
Restated Profit/(loss) (V=III-IV)		**36.67**	**144.43**	**(13,322.15)**	**(4,280.26)**
Other comprehensive income/(loss) (OCI)					
Items that will not be reclassified to profit or loss in subsequent periods:					
Re-measurement gains/(losses) on defined benefit plans		2.01	1.38	0.11	(0.21)
Income tax effect on above	24(b)	(1.06)	(0.34)	(0.03)	-
Other comprehensive income/(loss), net of tax (VI)		**0.95**	**1.04**	**0.08**	**(0.21)**
Restated Total comprehensive income/(loss) (VII=V+VI)		**37.62**	**145.47**	**(13,322.07)**	**(4,280.47)**
Restated Profit/(Loss)		**36.67**	**144.43**	**(13,322.15)**	**(4,280.26)**
Attributable to:					
Equity holders of the parent		76.94	157.15	(13,322.15)	(4,280.26)
Non-controlling interests		(40.27)	(12.72)	-	-
Other comprehensive income/(loss)		**0.95**	**1.04**	**0.08**	**(0.21)**
Attributable to:					
Equity holders of the parent		1.46	1.03	0.08	(0.21)
Non-controlling interests		(0.51)	0.01	-	-
Restated Total comprehensive income/(loss)		**37.62**	**145.47**	**(13,322.07)**	**(4,280.47)**
Attributable to:					
Equity holders of the parent		78.40	158.18	(13,322.07)	(4,280.47)
Non-controlling interests		(40.78)	(12.71)	-	-
Restated Earnings/(loss) per equity share *	33				
Basic, computed on the basis of Restated Profit/(loss) attributable to equity holders of the parent					
Equity shares, Nominal value of Rs 10 each		0.25	0.53	(98.35)	(31.63)
Equity shares, Nominal value of Rs 100 each **		-	0.53	(98.35)	(31.63)
Diluted, computed on the basis of Restated Profit/(loss) attributable to equity holders of the parent					
Equity shares, Nominal value of Rs 10 each		0.25	0.52	(98.35)	(31.63)
Equity shares, Nominal value of Rs 100 each **		-	0.53	(98.35)	(31.63)

* Not annualised for September 30, 2022
** Each equity share of face value of Rs.100 per share was split into one equity share of face value of Rs.10 per share and one equity share of face value of Rs.90 per share, with effect from April 28, 2022. Equity shares of face value of Rs.90 per share were bought back on September 22, 2022 for Rs.90 per share. Hence there is no basic and diluted EPS for equity shares of face value of Rs. 100 each. (Refer note 33)

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary 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: December 15, 2022

For and on behalf of the Board of Directors of
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

Varun Alagh
Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary

Place: Gurugram
Date: December 15, 2022

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure III - Restated Ind AS Summary Statement of Cash Flows
(All amounts in Rs. million, except as otherwise stated)

		Consolidated		Standalone	
		Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A	**Operating activities**				
1	**Restated Profit/(loss) before tax**	**91.28**	**224.39**	**(13,246.09)**	**(4,280.26)**
2	**Adjustments to reconcile Restated Profit/(loss) before tax to net cash flows:**				
	Depreciation of property, plant and equipment	9.09	7.56	2.97	3.09
	Amortisation of intangible assets	37.88	10.52	0.01	0.01
	Amortisation of right-of-use assets	63.45	50.87	14.14	3.36
	Expected credit loss allowance (allowance for bad and doubtful debts)	13.62	5.34	2.98	0.93
	Provision for slow moving inventory	16.00	8.91	3.95	-
	Provision for doubtful advances	8.00	-	-	-
	Loss on disposal of property, plant and equipment (net)	-	0.40	0.12	-
	Share based payments expenses (equity settled)	125.51	167.75	41.54	6.54
	Share based payments expenses (cash settled)	7.58	20.15	-	-
	Fair value gain on investments	(1.95)	(88.84)	(76.64)	(21.41)
	Change in fair valuation of preference shares	-	-	13,612.43	4,238.68
	Gain on sale of investments	(32.42)	(43.46)	(22.21)	(14.89)
	Interest income	(51.11)	(66.59)	(19.38)	(7.06)
	Finance costs	30.66	30.05	9.75	0.49
3	**Operating cash flow before working capital changes [1+2]**	**317.59**	**327.05**	**323.57**	**(70.52)**
4	**Movement in working capital:**				
	Increase in trade receivables	(705.67)	(331.17)	(235.35)	(80.65)
	Increase in other financial assets	(68.97)	(10.05)	(10.45)	(36.73)
	Increase in trade payables	572.63	874.39	584.41	181.88
	(Decrease)/Increase in financial liabilities	(48.19)	4.69	34.41	-
	Increase in provisions	19.68	27.20	13.31	7.77
	Increase in inventories	(578.79)	(212.70)	(280.71)	(122.68)
	Increase in other liabilities	25.34	9.43	37.86	17.38
	Increase in other current assets	(161.64)	(148.33)	(106.94)	-
5	**Cash flow (used in)/from operating activities [3+4]**	**(628.02)**	**540.51**	**360.11**	**(103.55)**
6	**Income tax paid**	(27.87)	(94.63)	(62.85)	-
7	**Net cash flow (used in)/from operating activities [5-6]**	**(655.89)**	**445.88**	**297.26**	**(103.55)**
B	**Investing activities**				
	Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)	(42.75)	(14.08)	(10.20)	(4.62)
	Purchase of Other intangible Assets	-	(12.20)	-	-
	(Investment in)/Redemption of bank deposits	(388.86)	(1,195.95)	81.77	(223.77)
	Purchase of current investment	(296.20)	(6,104.47)	(749.87)	(1,343.46)
	Redemption of current investment	1,300.31	4,496.65	447.73	401.90
	Interest received	25.72	28.07	24.51	0.73
	Acquisition of subsidiaries, net of cash acquired	(139.17)	(1,633.06)	-	-
	Acquisition of business, net of cash acquired	-	(562.53)	-	-
	Settlement of NCI Liability	(4.63)	-	-	-
	Net cash flow from/(used in) investing activities	**454.42**	**(4,997.57)**	**(206.06)**	**(1,169.22)**
C	**Financing activities**				
	Repayment of current borrowings	(24.02)	-	-	-
	Proceeds from issuance of NCCCPS	-	4,863.87	-	1,290.27
	Proceeds from issuance of equity shares (net)	48.35	1.39	0.90	0.38
	Principal repayment of lease liabilities	(43.29)	(27.24)	(3.92)	(3.34)
	Interest on lease liabilities	(25.23)	(25.75)	(8.05)	(0.22)
	Finance cost paid	(5.43)	(4.30)	(1.70)	(0.22)
	Net cash flows (used in)/from financing activities	**(49.62)**	**4,807.97**	**(12.77)**	**1,286.87**
D	**Net (decrease)/increase in cash and cash equivalents [A+B+C]**	**(251.09)**	**256.28**	**78.43**	**14.10**
E	Cash and cash equivalents at the beginning of the period/year	303.88	97.59	19.16	5.06
	Less: Bank overdraft on date of acquisition during the period/year (refer note 44)	(29.95)	(49.99)	-	-
	Cash and cash equivalents at the end of the period/year [D+E] (refer note 13)	**22.84**	**303.88**	**97.59**	**19.16**
	Components of cash and cash equivalents				
	Balance with banks				
	- on current accounts	93.63	336.43	97.24	19.05
	- Cash in hand	1.07	1.02	0.35	0.11
	Less: Bank overdraft (refer note 19)	(71.86)	(33.57)	-	-
	Total cash and cash equivalents	**22.84**	**303.88**	**97.59**	**19.16**

(All amounts in Rs. million, except as otherwise stated)

Explanatory note on Restated Ind AS Summary Statement of Cash Flows

Reconciliation between opening and closing Restated Ind AS Summary Statement of Assets and Liabilities for liabilities arising from financing activities:

	Opening balance	Additions due to acquisition	Cash flows	Non- cash movement	Closing balance
September 30, 2022					
Current borrowings (excluding bank overdraft facilities)	2.29	22.41	(24.02)	-	0.68
Net movement in bank overdraft facilities	33.57	29.95	8.34	-	71.86
Lease liabilities (including interest)	560.43	-	(68.52)	288.73	780.64
Total liabilities from financing activities	**596.29**	**52.36**	**(84.20)**	**288.73**	**853.18**
March 31, 2022					
Borrowings - NCCCPS	19,539.99	-	-	(19,539.99)	-
Current borrowings (excluding bank overdraft facilities)	-	2.29	-	-	2.29
Net movement in bank overdraft facilities	-	49.99	(16.42)	-	33.57
Lease liabilities (including interest)	203.31	119.88	(52.99)	290.23	560.43
Total liabilities from financing activities	**19,743.30**	**172.16**	**(69.41)**	**(19,249.76)**	**596.29**
March 31, 2021					
Borrowings - NCCCPS	5,927.56	-	-	13,612.43	19,539.99
Lease liabilities (including interest)	3.82	-	(11.97)	211.46	203.31
Total liabilities from financing activities	**5,931.38**	**-**	**(11.97)**	**13,823.89**	**19,743.30**
March 31, 2020					
Borrowings - NCCCPS	398.61	-	1,290.27	4,238.68	5,927.56
Lease liabilities (including interest)	-	-	(3.56)	7.38	3.82
Total liabilities from financing activities	**398.61**	**-**	**1,286.71**	**4,246.06**	**5,931.38**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary 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 (formerly known as Honasa Consumer Private Limited)

per **Rajeev Kumar**
Partner
Membership no.: 213803

Place: Bengaluru
Date: December 15, 2022

Varun Alagh	**Ghazal Alagh**	**Raman Preet Sohi**	**Dhanraj Dagar**
Director & Chief Executive Officer	Director	Chief Financial Officer	Company Secretary
DIN: 07597289	DIN: 07608292		

Place: Gurugram
Date: December 15, 2022

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure IV - Restated Ind AS Summary Statement of Changes in equity
(All amounts in Rs. million, except as otherwise stated)

a) Equity share capital

Particulars	Consolidated		Standalone	
	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
i) Equity shares of Rs. 10 each issued, subscribed and fully paid				
Opening balance	0.10	0.10	0.10	0.10
Add: Issued during the period / year [Refer note (a) to (c) below)]	1,362.93	0.00	0.00	0.00
Closing balance	**1,363.03**	**0.10**	**0.10**	**0.10**

(a) During the year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Holding Company has issued 31, 18 and 7 equity shares respectively, to the employees on exercise of Employee Share Options.

(b) During the period ended September 30, 2022, the Holding Company issued 259,460 equity shares of Rs.10 each, 136,032,854 bonus shares of Rs.10 each and 290 equity shares on account of share split of Rs.10 each. Also Refer note - 16.

(c) Represents Rs 310, Rs 180 and Rs 70 for year ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively.

Particulars	Consolidated		Standalone	
	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
ii) Equity shares of Rs. 100 each issued, subscribed and fully paid				
Opening balance	0.03	0.03	0.03	0.03
Add: Issued during the period / year	-	-	-	-
Less: Split during the period / year (refer note (a) below)	(0.03)	-	-	-
Closing balance	**-**	**0.03**	**0.03**	**0.03**

(a) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of Rs.100 per share was split into one equity share of face value of Rs.10 per share and one equity share of face value of Rs. 90 per share, with effect from April 28, 2022.

Particulars	Consolidated		Standalone	
	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
iii) Equity shares of Rs. 90 each issued, subscribed and fully paid				
Opening balance	-	-	-	-
Add: Share split during the period / year (refer note (a) below)	0.03	-	-	-
Less: Buy back during the period / year (refer note (b) below)	(0.03)	-	-	-
Closing balance	**-**	**-**	**-**	**-**

(a) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of Rs.100 per share was split into one equity share of face value of Rs.10 per share and one equity share of face value of Rs.90 per share, with effect from April 28, 2022.

(b) Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of Rs.90 per share were bought back on September 22, 2022 for Rs.90 per share.

b) Instruments entirely in the nature of equity

Particulars	Consolidated		Standalone	
	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
i) 0.001% Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) of Rs. 10 each, fully paid				
Opening balance	17,929.36	-	-	-
Add: Issued during the year [refer note (ii)]	-	0.02	-	-
Add: Reclassified to equity during the period [refer note (i)]	-	19,539.99	-	-
Less: Reclassified to securities premium as per Companies Act, 2013 [refer note (i)]	-	(1,610.65)	-	-
Closing balance	**17,929.36**	**17,929.36**	**-**	**-**

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure IV - Restated Ind AS Summary Statement of Changes in equity
(All amounts in Rs. million, except as otherwise stated)

b) Instruments entirely in the nature of equity (continued)

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Holding Company, in terms of the shareholders agreement, had exit rights including requiring the Holding Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value of Rs. 398.61 million, Rs. 5,927.56 million and Rs. 19,539.99 million as at April 01, 2019, March 31, 2020 and as at March 31, 2021 respectively and the change in fair value of liability of Rs. 4,238.68 million and Rs. 13,612.43 million has been recognized as an expense in the Restated Ind AS Summary Statement of Profit and Loss for the year ended March 31, 2020 and year ended March 31, 2021 respectively. Further, subsequently on April 01, 2021, the Holding Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs. 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs. 17,929.34 million and Rs. 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity. Also, Refer note 17, 19 and 47.

Note (ii): The Company has issued 902 Class E NCCCPS of Rs 10 each during the year ended March 31, 2022, at a premium of Rs 2.24 million per share and 839 Class F NCCCPS of Rs 10 each during the year ended March 31, 2022 at a premium of Rs 3.39 million per share.

c) Other equity

	Attributable to equity holders of the Holding Company				Total other equity	Non-controlling interest ('NCI')	Total
	Retained earnings	Securities premium	Employee stock option outstanding reserve	Capital redemption reserve			
At April 01, 2022 (Consolidated)	**(17,585.30)**	**6,504.71**	**207.34**	**-**	**(10,873.25)**	**-**	**(10,873.25)**
Restated Profit/(Loss) for the period	76.94	-	-	-	76.94	(40.27)	36.67
Other comprehensive income/(loss)							
- Remeasurement gain/(loss) on defined benefit plans, net of tax effect	1.46	-	-	-	1.46	(0.51)	0.95
Total comprehensive income/(loss)	**78.40**	**-**	**-**	**-**	**78.40**	**(40.78)**	**37.62**
Add: Share based payment expense for the period (refer note 39)	-	-	125.51	-	125.51	-	125.51
Less: Transferred to securities premium on exercise of stock options	-	1.60	(1.60)	-	-	-	-
Add: Premium received on issue of equity shares	-	58.46	-	-	58.46	-	58.46
Less: Transaction cost on issue of equity shares	-	(12.71)	-	-	(12.71)	-	(12.71)
Less: Change in fair value of non-controlling interest liability (refer note 20)	(35.83)	-	-	-	(35.83)	-	(35.83)
Less: Utilised on issue of bonus share	-	(1,360.33)	-	-	(1,360.33)	-	(1,360.33)
Add: Modification of Stock appreciation rights from cash settled to equity settled (Refer note 39)	-	-	27.74	-	27.74	-	27.74
Add: NCI portion on Acquisition of subsidiary (refer note 44A)	-	-	-	-	-	127.12	127.12
Add/Less: Reclass for Non-controlling interest (refer note 44C)	(19.06)	-	-	-	(19.06)	19.06	-
Add/ (less): Transfer to Capital redemption reserve on buyback of equity shares	(0.03)	-	-	0.03	-	-	-
At September 30, 2022 (Consolidated)	**(17,561.82)**	**5,191.73**	**358.99**	**0.03**	**(12,011.07)**	**105.40**	**(11,905.67)**
						-	
At April 01, 2021 (Standalone)	**(17,719.98)**	**20.08**	**48.34**	**-**	**(17,651.56)**	**-**	**(17,651.56)**
Restated Profit/(loss) for the year	157.15	-	-	-	157.15	(12.72)	144.43
Other comprehensive income							
- Remeasurement gain on defined benefit plans, net of tax effect	1.03	-	-	-	1.03	0.01	1.04
Total comprehensive income/(loss)	**158.18**	**-**	**-**	**-**	**158.18**	**(12.71)**	**145.47**
Add: Premium towards NCCCPS on reclassification from liability to equity (refer note 17)	-	1,610.65	-	-	1,610.65	-	1,610.65
Add: Premium on issue of NCCCPS	-	4,863.85	-	-	4,863.85	-	4,863.85
Add: Share based payment expense for the year (refer note 39)	-	-	167.74	-	167.74	-	167.74
Less: Transferred to securities premium on exercise of stock options	-	8.74	(8.74)	-	-	-	-
Add: Premium received on issue of equity shares	-	6.26	-	-	6.26	-	6.26
Less: Transaction cost on issue of shares	-	(4.87)	-	-	(4.87)	-	(4.87)
Less: Change in fair value of non-controlling interest liability (refer note 20)	(10.79)	-	-	-	(10.79)	-	(10.79)
Add/Less: Reclass for Non-controlling interest (refer note 44[C])	(12.71)	-	-	-	(12.71)	12.71	-
At March 31, 2022 (Consolidated)	**(17,585.30)**	**6,504.71**	**207.34**	**-**	**(10,873.25)**	**-**	**(10,873.25)**

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure IV - Restated Ind AS Summary Statement of Changes in equity
(All amounts in Rs. million, except as otherwise stated)

c) Other equity (continued)

	Attributable to equity holders of the Holding Company				Total other equity	Non-controlling interest ('NCI')	Total
	Retained earnings	Securities premium	Employee stock option outstanding reserve	Capital redemption reserve			
At April 01, 2020 (Standalone)	**(4,397.91)**	**18.76**	**7.22**	**-**	**(4,371.93)**	**-**	**(4,371.93)**
Restated Loss for the year	(13,322.15)	-	-	-	(13,322.15)	-	(13,322.15)
Other comprehensive income							
- Remeasurement gain on defined benefit plans, net of tax effect	0.08	-	-	-	0.08	-	0.08
Total comprehensive income/(loss)	**(13,322.07)**	**-**	**-**	**-**	**(13,322.07)**	**-**	**(13,322.07)**
Add: Share based payment expense for the year (refer note 39)	-	-	41.54	-	41.54	-	41.54
Less: Transferred to securities premium on exercise of stock options	-	0.42	(0.42)	-	-	-	-
Add: Premium received on issue of equity shares	-	0.90	-	-	0.90	-	0.90
At March 31, 2021 (Standalone)	**(17,719.98)**	**20.08**	**48.34**	**-**	**(17,651.56)**	**-**	**(17,651.56)**
At April 1, 2019 (Standalone)	**(117.34)**	**18.38**	**0.68**	**-**	**(98.28)**	**-**	**(98.28)**
Restated loss for the year	(4,280.26)	-	-	-	(4,280.26)	-	(4,280.26)
Other comprehensive income/(loss)							
- Remeasurement (loss) on defined benefit plans, net of tax effect	(0.21)	-	-	-	(0.21)	-	(0.21)
Total comprehensive income/(loss)	**(4,280.47)**	**-**	**-**	**-**	**(4,280.47)**	**-**	**(4,280.47)**
Add: Premium received on issue of equity shares	-	0.38	-	-	0.38	-	0.38
Add: Share based payment expense for the year (refer note 39)	-	-	6.54	-	6.54	-	6.54
At March 31, 2020 (Standalone)	**(4,397.81)**	**18.76**	**7.22**	**-**	**(4,371.83)**	**-**	**(4,371.83)**
Ind AS 116 transition adjustment (refer Annexure VII)	(0.10)	-	-	-	(0.10)	-	(0.10)
At April 01, 2020 (Standalone)	**(4,397.91)**	**18.76**	**7.22**	**-**	**(4,371.93)**	**-**	**(4,371.93)**

Note: There is no Foreign Currency Translation Reserve in other equity as the overseas subsidiaries are yet to commence operations and infusion of capital has not yet been completed.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

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

per **Rajeev Kumar**
Partner

Membership no.: 213803

Place: Bengaluru
Date: December 15, 2022

For and on behalf of the Board of Directors of
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

Varun Alagh	**Ghazal Alagh**	**Raman Preet Sohi**	**Dhanraj Dagar**
Director & Chief Executive Officer	Director	Chief Financial Officer	Company Secretary
DIN: 07597289	DIN: 07608292		

Place: Gurugram
Date: December 15, 2022

(All amounts in Rs. million, except as otherwise stated)

1 (a) Corporate Information

Honasa Consumer Limited (formerly known as Honasa Consumer Private 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 N0 - 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on October 26, 2022 and consequently the name of the Company has changed to Honasa Consumer Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on November 11, 2022.

The Group's Restated Ind AS summary statements for the six months period ended September 30, 2022, year ended March 31, 2022, March 31, 2021 and March 31, 2020 were approved in the meeting of the Board of directors held on December 15, 2022.

1 (b) Group Information

Information about subsidiaries

The restated Ind AS summary 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 September 30, 2022	Ownership interest as March 31, 2022	Ownership interest as March 31, 2021	Ownership interest as March 31, 2020
Fusion Cosmeceutics Private Limited (acquired w.e.f. April 06, 2022) (skin care products)	U24230MH2003PTC141101	India	65.49%	-	-	-
Just4Kids Services Private Limited (acquired w.e.f. December 24, 2021) (content development and Influencer marketing services)*	U80302HR2010PTC107239	India	77.19%	74.32%	-	-
PT Honasa Consumer Indonesia (incorporated on February 18, 2022)**	Not Applicable	Indonesia	100.00%	100.00%	-	-
Honasa Consumer General Trading L.L.C. (incorporated on June 23, 2022)**	Not Applicable	UAE	100.00%	-	-	-
Bhabani Blunt Hairdressing Private Limited (acquired w.e.f. March 16, 2022) (hair styling salon and academy)	U93020MH2004PTC148187	India	100.00%	100.00%	-	-
B:Blunt Spratt Hairdressing Private Limited (acquired w.e.f. March 16, 2022) (hair styling salon and academy) (100% subsidiary of Bhabani Blunt Hairdressing Private Limited) (hair styling salon and academy)	U93000KA2011PTC058323	India	100.00%	100.00%	-	-

*The Holding Company has a commitment to purchase the remaning shares from the minority shareholders, the commitment is accounted as liability, Refer Note 44.

** These subsidiaries are not operational and have no transactions and infusion of capital has not yet been completed.

1.1 Basis of preparation

The restated Ind AS Summary Statements comprises of:

(a) Restated Ind AS Summary Statement of Assets and Liabilities of the Holding Company and its subsidiaries, (the Holding Company together with its subsidiaries hereinafter referred to as "the Group") as at March 31, 2022 and September 30, 2022, the Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Ind AS Summary Statement of Changes in Equity and the Restated Ind AS Summary Statement of Cash Flows for the year ended March 31, 2022 and period ended September 30, 2022 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Consolidated Summary Statements');

(b) Restated Standalone Ind AS Summary Statement of Assets and Liabilities as at March 31, 2021 and March 31, 2020, Restated Standalone Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Standalone Ind AS Summary Statement of Changes in Equity and the Restated Standalone Ind AS Summary Statement of Cash Flows for the year ended March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes ('Restated Ind AS Standalone Summary Statements). The Company did not have any subsidiaries, associates and joint ventures for the year ended March 31, 2021 and March 31, 2020 and accordingly the restated Ind AS Summary Statement for year ended March 31, 2021 and March 31, 2020 represents the restated standalone financial information.

The paragraph (a) and (b) above are collectively referred to as the 'Restated Ind AS Summary Statements'.

These Restated Ind AS Summary Statements have been prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the proposed initial public offering of equity shares of face value of Rs. 10 each of the Holding Company (the "Offer"), in terms of the requirements of:

(a)Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
(b)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
(c)The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"); and
(d)E-mail dated June 24, 2022 received from Book Running Lead Managers, which confirms that the Company should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India ("SEBI Letter").

(All amounts in Rs. million, except as otherwise stated)

1.1 Basis of preparation (continued)

The Restated Ind AS Summary Statements has been compiled from:

(a) Audited Ind AS consolidated financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), as applicable which was approved by the Board of Directors at their meeting held on August 31, 2022.;

(b) Audited Ind AS interim consolidated financial statements of the Group as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind-AS compliant Schedule III), which have been approved by the Board of Directors at their meeting held on December 15, 2022.

(c) Audited Special Purpose Ind AS standalone financial statements of the Company as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by the Company after taking into the consideration the requirements of the SEBI Letter and were approved by the Board of Directors at their meeting held on December 15, 2022;
Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and consequently April 01, 2020 as the transition date for preparation of its statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Ind AS standalone financial statements were prepared as per SEBI Letter. These Special purpose Ind AS standalone financial statements are not the statutory financial statements under the Companies Act.

The Special purpose Ind AS standalone financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI letter.

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

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Just4Kids Services Private Limited [CIN No.: U80302HR2010PTC107239]	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022, December 24, 2021 (Date of Acquisition) to March 31, 2022
Bhabani Blunt Hairdressing Private Limited [CIN No.: U93020MH2004PTC148187]	Subsidiary	MM Nissin and Co LLP	March 16, 2022 (Date of Acquisition) to March 31, 2022
Bhabani Blunt Hairdressing Private Limited [CIN No.: U93020MH2004PTC148187]	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022
B:Blunt-Spratt Hairdressing Private Limited [CIN No.: U93000KA2011PTC058323]	Subsidiary	Shivarama Iyer & Associates	March 16, 2022 (Date of Acquisition) to March 31, 2022,
B:Blunt-Spratt Hairdressing Private Limited [CIN No.: U93000KA2011PTC058323]	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022
Fusion Cosmeceutics Private Limited [CIN No.: U24230MH2003PTC141101]	Subsidiary	Sharp & Tannan	April 06, 2022 (Date of Acquisition) to September 30, 2022

1.2 Basis of Consolidation

The restated Ind AS summary statements comprises of the financial information of the Company and its subsidiaries as at September 30, 2022 and March 31, 2022. There is no consolidation for the year ended March 31, 2021 and March 31, 2020 as the Company did not have any subsidiaries, joint venture or associates. 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 Group 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 year are included in the restated Ind AS summary statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
The restated Ind AS summary 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 restated Ind AS summary statements for like transactions and events in similar circumstances, appropriate adjustments are made to restated Ind AS summary statements in preparing the restated Ind AS summary statements to ensure conformity with the group's accounting policies.

1.2 Basis of Consolidation (continued)

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated Ind AS summary 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 restated Ind AS summary 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
- 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

2 Significant accounting policies

2.1 Current versus non-current classification

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

2.2 Foreign currency translation

(i) Functional and presentation currency:
Items included in the restated Ind AS summary statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The restated Ind AS summary statements are presented in Indian rupee (Rs.), which is functional and presentation currency of the Holding Company.
(ii) Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in restated Ind AS summary statement of profit and loss.

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

2.3 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 restated summary 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 restated Ind AS summary 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.

2.4 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.

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.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- 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.

- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

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 Restated Ind AS summary 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 Restated Ind AS summary statement of profit or loss.

If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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, 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 restated Ind AS summary statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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.

(All amounts in Rs. million, except as otherwise stated)

2.5 Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its property, plant and equipment recognised as of April 01, 2020 (date of transition to Ind AS as per statutory financial statements) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition and and have used the same principal for the special purpose financial statements for the year ended March 31, 2020.

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

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Restated Ind AS Summary Statement of Profit and Loss as incurred.

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

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 recognized in the Restated Ind AS Summary Statement of Profit and Loss when the asset is derecognized.

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 equipments	5	5
Plant and machinery	3 to 8	15
Furniture and fixtures	10	10
Computer & peripherals	3 to 6	3 to 6

Leasehold improvements are amortized on a straight line basis over the 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 Restated Ind AS Summary Statement of Profit and Loss when the asset is derecognized.

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

2.6 Intangible assets

Under the previous GAAP (Indian GAAP), intangible assets were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its intangible assets recognised as of April 01, 2020 (date of transition to Ind AS as per statutory financial statements) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition and and have used the same principal for the special purpose financial statements for the year ended March 31, 2020.

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 restated Ind AS sumary statement of profit or loss in the period in which the expenditure is incurred.

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 Restated Ind AS Summary Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

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 Restated Ind AS Summary Statement of Profit and Loss when the asset is derecognised.

The depreciation methodology 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	0.5-1 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.

2.7 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 of continuing operations, including impairment on inventories, are recognised in the Restated Summary Statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Restated Summary 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.

2.8 Inventories

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

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

2.9 Revenue recognition

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

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

Revenue from sale of products

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

Revenue from sale of services

Revenue from Hair Styling services is recognised on rendering services. Revenue from franchises is recognised as per the terms of the agreements. The amount recognised is at the predetermined price, the collection of which is reasonably certain. Revenue from educating students in hair styling is recognised on a time proportion basis. Revenue from listing services is received in the form of fees which is recognized prorate over the subscription / advertising agreement, usually ranging between one to twelve months.

Variable consideration

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

Rights of return

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

Volume rebates

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

Customer wallet points

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

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

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

2.9 Revenue recognition (continued)

Interest income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Restated Ind AS Summary 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). Refer to section 2.13 for 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 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).

2.10 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 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.

The Group has adopted Ind AS 116 based on modified retrospective approach, wherein the Present Value of remaining lease payments as on the date of transition is recognised as the lease liability and right-of-use asset is considered equal to the amount of lease liability.

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

2.11 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 Restated Ind AS Summary Statement of Assets and Liabilities.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group 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 Restated Ind AS Summary statement of profit and loss and are not deferred. The Group presents the accumulated leave liability as a current liability in the Restated Ind AS Summary Statement of Assets and Liabilities, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

2.11 Employee Benefits (continued)

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
The liability or asset recognised in the Restated Ind AS Summary Statement of Assets and Liabilities 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 Restated Ind AS Summary statement of changes in equity and in the Restated Ind AS Summary Statement of Assets and Liabilities. Such accumulated re-measurement balances are never reclassified into the Restated Ind AS Summary 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 Restated Ind AS Summary Profit or Loss as past service costs.

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

2.12 Employee share based payments
The Stock option plan of the Group is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes model.
That cost is recognised, together with a corresponding increase in Employee stock option outstanding 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 Restated Ind AS Summary 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 restated profit or loss.

The 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 restated Ind AS summary statement of profit and loss.

The dilutive effect of outstanding employee stock options is reflected as additional share dilution in the computation of diluted earnings per share.

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

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortised cost
• Debt instruments at Fair Value Through Other Comprehensive income (FVTOCI)
• Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)
• Equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)
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.

2.13 Financial instruments (cotinued)

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 Restated Ind AS Summary statement of profit and loss. The losses arising from impairment are recognised in the Restated Ind AS Summary statement of profit and loss. This category generally applies to trade and other receivables.

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i)The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii)The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses and foreign exchange gain or loss in the Restated Ind AS Summary 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 Restated Ind AS Summary statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS Summary 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 recognized in the OCI. There is no recycling of the amounts from OCI to the Restated Ind AS Summary statement of profit and loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS Summary 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 Restated Ind AS Summary Statement of Assets and Liabilities) 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 and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables, and lease liabilities.

Subsequent measurement

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the Restated Ind AS Summary 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 Restated Ind AS Summary Statement of Profit and Loss.

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

2.13 Financial instruments (cotinued)

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 Restated Ind AS Summary Statement of Profit and Loss.

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

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the Restated Ind AS Summary Statement of Assets and Liabilities, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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

Deferred tax
Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:
• when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
• in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary 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 utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the Restated Ind AS Summary Statement of Profit and Loss is recognised outside the Restated Ind AS Summary 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.

2.15 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 organized 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 restated Ind AS summary 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.

2.16 Earnings/Loss per share
Basic earnings/loss per share are calculated by dividing the restated profit or loss for the period/year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period/year. For the purpose of calculating diluted earnings/loss per share, the restated net profit or loss for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

2.17 Provisions

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

2.18 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the restated Ind AS summary statements.

2.19 Cash and cash equivalents

Cash and cash equivalents in the Restated Ind AS Summary Statement of Assets and Liabilities and Restated Ind AS Summary Statement of Cash Flows comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Restated Ind AS Summary 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.

2.20 Significant accounting judgements, estimates and assumptions

The preparation of the restated Ind AS summary statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

• Capital management (Note 43)
• Financial risk management objectives and policies (Note 42)
• Sensitivity analysis disclosures (Notes 35 and 42)

The Group bases its assumptions and estimates on parameters available when the restated Ind AS summary 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 Group. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Restated Ind AS summary 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.

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.

2.20 Significant accounting judgements, estimates and assumptions (continued)

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 restated profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Business combination
In accounting for business combinations, judgment 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 judgment. 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 judgments, estimates, and assumptions can materially affect the results of operations.
Estimates and judgments 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 Restated Ind AS Summary 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.

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

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

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments have no impact on the restated Ind AS Summary Statements.

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

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.
The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.
It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments have no impact on the restated Ind AS Summary Statements.

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

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the restated profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments have no impact on the Restated Ind AS Summary Statements.

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
The amendments are effective for annual reporting periods beginning on or after April 01, 2022. The amendments have no impact on the restated restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

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

	Leasehold Improvements	Computer and peripherals	Furniture and fixtures	Office equipments	Plant and machinery	Total
Gross Block						
Cost or valuation						
Standalone -At April 01, 2019	2.10	0.54	0.26	0.36	0.15	3.41
Additions	-	2.26	1.42	0.84	0.09	4.61
Disposals	-	-	-	-	-	-
Standalone - At March 31, 2020	**2.10**	**2.80**	**1.68**	**1.20**	**0.24**	**8.02**
Less: Ind AS restated adjustment for deemed cost*	(2.10)	(1.08)	(0.25)	(0.37)	(0.07)	(3.87)
Standalone - At April 01, 2020	**-**	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
Additions	-	0.74	2.33	2.41	5.33	10.81
Disposals	-	(0.73)	-	-	-	(0.73)
Standalone - At March 31, 2021	**-**	**1.73**	**3.76**	**3.24**	**5.50**	**14.23**
Additions	-	0.19	7.00	2.75	4.13	14.07
Additions through Acquisition (Refer note-44)	-	0.39	20.71	4.67	0.57	26.34
Disposals	-	-	(1.03)	(0.39)	-	(1.42)
Consolidated - At March 31, 2022	**-**	**2.31**	**30.44**	**10.27**	**10.20**	**53.22**
Additions	-	1.22	23.49	5.56	0.62	30.89
Acquisition (Refer note-44)	-	0.09	-	0.02	0.04	0.15
Disposals	-	(0.09)	-	-	-	(0.09)
Consolidated - At September 30, 2022	**-**	**3.53**	**53.93**	**15.85**	**10.86**	**84.17**
Accumulated Depreciation						
Standalone - At April 01, 2019	0.47	0.17	0.03	0.10	0.01	0.78
Charge for the year	1.63	0.91	0.22	0.27	0.06	3.09
Disposals	-	-	-	-	-	-
Standalone - At March 31, 2020	**2.10**	**1.08**	**0.25**	**0.37**	**0.07**	**3.87**
Less: Ind AS restated adjustment for deemed cost*	(2.10)	(1.08)	(0.25)	(0.37)	(0.07)	(3.87)
Standalone - At April 01, 2020	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	0.69	0.61	0.89	0.78	2.97
Disposals	-	-	-	-	-	-
Standalone - At March 31, 2021	**-**	**0.69**	**0.61**	**0.89**	**0.78**	**2.97**
Charge for the year	-	0.69	2.00	1.87	3.00	7.56
Disposals	-	-	(0.77)	(0.25)	-	(1.02)
Consolidated - At March 31, 2022	**-**	**1.38**	**1.84**	**2.51**	**3.78**	**9.51**
Charge for the period	-	0.40	5.24	1.64	1.81	9.09
Disposals	-	-	-	-	-	-
Consolidated - At September 30, 2022	**-**	**1.78**	**7.08**	**4.15**	**5.59**	**18.60**
Net book value						
Standalone - At March 31, 2020	**-**	**1.72**	**1.43**	**0.83**	**0.17**	**4.15**
Standalone - At March 31, 2021	**-**	**1.04**	**3.15**	**2.35**	**4.72**	**11.26**
Consolidated - At March 31, 2022	**-**	**0.93**	**28.60**	**7.76**	**6.42**	**43.71**
Consolidated - At September 30, 2022	**-**	**1.75**	**46.85**	**11.70**	**5.27**	**65.57**

* The adjustment relates to the reconciliation of gross block between the Audited Special Purpose Ind AS Standalone Financial Statements for year end March 31, 2020 and audited statutory financial statements with the Ind AS transition date of April 01, 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

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**
Standalone - As at April 01, 2019					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Standalone - As at March 31, 2020					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Standalone - As at March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Consolidated - As at March 31, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Consolidated - As at September 30, 2022					
Projects in progress#	10.12	-	-	-	10.12
Projects temporarily suspended	-	-	-	-	-
Total	**10.12**	**-**	**-**	**-**	**10.12**

#Projects in progress represents costs incurred for exclusive brand outlets stores.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(This space has been intentionally left blank.)

(All amounts in Rs. million, except as otherwise stated)

4(a). Goodwill *

Goodwill acquired pertains to the following:	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Acquisition of business				
B Blunt - Product business (Refer note-44)	8.89	8.89	-	-
Acquisition of subsidiary				
Just4Kids Services Private Limited (Refer note-44)	1,360.63	1,360.63	-	-
Bhabani Blunt Hairdressing Private Limited (Refer note-44)	363.38	363.38	-	-
Fusion Cosmeceutics Private Limited (Refer note-44)	155.48	-	-	-
	1,888.38	**1,732.90**	**-**	**-**

* Refer note 7 for impairment testing of Goodwill.

4(b). Other Intangible assets

	Franchise agreements	Non-compete agreement	Brand**	Design and Formulation	Software	Trademarks	Total intangible assets
Cost or valuation							
Standalone - At April 01, 2019	-	-	-	-	-	0.05	**0.05**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Standalone - At March 31, 2020	-	-	-	-	-	**0.05**	**0.05**
Less: Ind AS restated adjustment for deemed cost*	-	-	-	-	-	(0.04)	(0.04)
Standalone - At April 01, 2020	-	-	-	-	-	**0.01**	**0.01**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Standalone - At March 31, 2021	-	-	-	-	-	**0.01**	**0.01**
Additions	-	-	-	-	0.55	-	0.55
Acquisition (Refer note-44)	4.40	43.20	820.80	20.50	22.17	206.18	1,117.25
Disposals	-	-	-	-	-	-	-
Consolidated - At March 31, 2022	**4.40**	**43.20**	**820.80**	**20.50**	**22.72**	**206.19**	**1,117.81**
Additions	-	-	-	-	18.83	-	18.83
Acquisition (Refer note-44)	-	-	168.49	-	-	-	168.49
Disposals	-	-	-	-	-	-	-
Consolidated - At September 30, 2022	**4.40**	**43.20**	**989.29**	**20.50**	**41.55**	**206.19**	**1,305.13**
Amortisation							
Standalone - At April 01, 2019	-	-	-	-	-	**0.03**	**0.03**
Amortisation	-	-	-	-	-	0.01	0.01
Disposals	-	-	-	-	-	-	-
Standalone - At March 31, 2020	-	-	-	-	-	**0.04**	**0.04**
Less: Ind AS restated adjustment for deemed cost*	-	-	-	-	-	(0.04)	(0.04)
Standalone - At April 01, 2020	-	-	-	-	-	-	-
Amortisation	-	-	-	-	-	0.01	0.01
Disposals	-	-	-	-	-	-	-
Standalone - At March 31, 2021	-	-	-	-	-	**0.01**	**0.01**
Amortisation	0.04	0.63	-	1.01	0.62	8.22	10.52
Disposals	-	-	-	-	-	-	-
Consolidated - At March 31, 2022	**0.04**	**0.63**	**-**	**1.01**	**0.62**	**8.23**	**10.53**
Amortisation	0.44	7.21	-	11.90	3.03	15.30	37.88
Disposals	-	-	-	-	-	-	-
Consolidated - At September 30, 2022	**0.48**	**7.84**	**-**	**12.91**	**3.65**	**23.53**	**48.41**
Net book value							
Standalone - At March 31, 2020	-	-	-	-	-	**0.01**	**0.01**
Standalone - At March 31, 2021	-	-	-	-	-	-	-
Consolidated - At March 31, 2022	**4.36**	**42.57**	**820.80**	**19.49**	**22.10**	**197.96**	**1,107.28**
Consolidated - At September 30, 2022	**3.92**	**35.36**	**989.29**	**7.59**	**37.90**	**182.66**	**1,256.72**

* The adjustment relates to the reconciliation of gross block between the Audited Special Purpose Ind AS Standalone Financial Statements for year end March 31, 2020 and audited statutory financial statements with the Ind AS transition date of April 01, 2020.

** Refer note 7 for impairment testing of brand.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

5. Intangible assets under development

	Amount
Standalone - At April 01, 2019	**-**
- Additions	-
- Capitalised during the year	-
Standalone - At March 31, 2020	**-**
- Additions	-
- Capitalised during the year	-
Standalone - At March 31, 2021	**-**
- Additions	18.83
- Capitalised during the year	-
Consolidated - At March 31, 2022	**18.83**
- Additions	-
- Capitalised during the period	(18.83)
Consolidated - At September 30, 2022	**-**

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Standalone - At March 31, 2020					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Standalone - At March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Consolidated - At March 31, 2022					
Projects in progress *	18.83	-	-	-	18.83
Projects temporarily suspended	-	-	-	-	-
Total	**18.83**	**-**	**-**	**-**	**18.83**
Consolidated - At September 30, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

There are no overdue or cost overrun projects compared to its original plan and no Intangible assets under development which are temporarily suspended, on the above mentioned reporting dates.
* Projects in progress represents costs incurred for ERP implementation.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

6. Right-of-use assets and lease liabilities

(a) Group as a lessee
The Group has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 1.25 years to 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

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

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

	Buildings	Computer and Peripherals	Total
Cost			
Standalone - At April 01, 2019	-	-	-
Additions	9.30	-	**9.30**
Disposals	-	-	
Standalone - At March 31, 2020	**9.30**	**-**	**9.30**
Less: IND AS 116 transition adjustment*	(6.96)	-	(6.96)
Standalone - At April 1, 2020	**2.34**	**-**	**2.34**
Additions	200.10	11.30	211.40
Disposals	-	-	-
Standalone - At March 31, 2021	**202.44**	**11.30**	**213.74**
Additions	249.78	18.56	268.34
Addition on acquisition (Refer note-44)	115.07	-	115.07
Disposals	-	-	-
Consolidated - At March 31, 2022	**567.29**	**29.86**	**597.15**
Additions	224.78	42.67	267.45
Disposals	-	-	-
Consolidated - At September 30, 2022	**792.07**	**72.53**	**864.60**
Depreciation			
Standalone - At April 01, 2019	-	-	-
Charge for the year	3.36	-	3.36
Disposals	-	-	-
Standalone - At March 31, 2020	**3.36**	**-**	**3.36**
Less: IND AS 116 transition adjustment*	(3.36)	-	**(3.36)**
Standalone - At April 01, 2020	**-**	**-**	**-**
Charge for the year	12.40	1.74	14.14
Disposal	-	-	-
Standalone - At March 31, 2021	**12.40**	**1.74**	**14.14**
Charge for the year	43.05	7.82	50.87
Disposal	-	-	-
Consolidated - At March 31, 2022	**55.45**	**9.56**	**65.01**
Charge for the period	53.63	9.82	63.45
Disposal	-	-	-
Consolidated - At September 30, 2022	**109.08**	**19.38**	**128.46**
Net book value			
Standalone - At March 31, 2020	**5.94**	**-**	**5.94**
Standalone - At March 31, 2021	**190.04**	**9.56**	**199.60**
Consolidated - At March 31, 2022	**511.84**	**20.30**	**532.14**
Consolidated - At September 30, 2022	**682.99**	**53.15**	**736.14**

* The Group had applied Ind AS 116 for preparing its audited statutory financial statements for the period beginning from April 01, 2020. For the purpose of preparing Audited Special Purpose Ind AS Standalone Financial Statements of the Company, Ind AS 116 has been applied with effect from April 01, 2019. The adjustment relates to the reconciliation of carrying value of right-of-use assets between the Audited Special Purpose Ind AS Standalone Financial Statements for year end March 31, 2020 and audited statutory financial statements. Also Refer Annexure VII.

(All amounts in Rs. million, except as otherwise stated)

6. Right-of-use assets and lease liabilities (continued)

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

Carried at amortised cost	**Consolidated**		**Standalone**	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Non current				
Lease liabilities	661.45	497.96	185.88	3.60
Total non-current lease liabilities (A)	**661.45**	**497.96**	**185.88**	**3.60**
Current				
Lease liabilities	119.20	62.47	17.43	0.22
Total current lease liabilities (B)	**119.20**	**62.47**	**17.43**	**0.22**
Total lease liabilities (C=A+B)	**780.65**	**560.43**	**203.31**	**3.82**

(d) Following are the amounts recognised in Restated Ind AS Summary Statement of Profit and Loss:

	Consolidated		**Standalone**	
	For the six months period ended September 30, 2022	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Depreciation of right-of-use-assets	63.45	50.87	14.14	3.36
Interest expense on lease liability	25.23	25.75	8.05	0.22
Rent expenses for short term leases (included in other expenses)	14.74	8.28	8.29	4.19
	103.42	**84.90**	**30.48**	**7.77**

(e) Movement in lease liabilities:

	Consolidated		**Standalone**	
	For the six months period ended September 30, 2022	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Balance at beginning of the period	560.43	203.31	0.32	-
Add: Additions	263.51	264.84	206.91	7.16
Add: On account of acquisition (Refer note - 44)	-	119.54	-	-
Add: Interest on lease liability	25.23	25.75	8.05	0.22
Less: Payment of lease liabilities	(68.52)	(52.99)	(11.97)	(3.56)
Less: Reduction in liability on account of rent concession	-	(0.02)	-	-
Balance at the end of the period	**780.65**	**560.43**	**203.31**	**3.82**
Less: IND AS 116 transition adjustment (Refer Annexure VII)				(3.50)
Opening balace as on April 1, 2020				**0.32**

(f) Impact on Restated Ind AS Summary Statement of cash flow(decrease)

Lease payments (Including interest portion)	68.52	52.99	11.97	3.56
	68.52	**52.99**	**11.97**	**3.56**
Payment of principal portion of lease liabilities	43.29	27.24	3.92	3.34
Payment of interest portion of lease liabilities	25.23	25.75	8.05	0.22
	68.52	**52.99**	**11.97**	**3.56**

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

	Consolidated		**Standalone**	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Less than one year	168.57	98.81	31.38	3.83
one to five years	549.00	393.18	142.38	0.10
more than five years	258.18	238.40	153.31	-
Total	**975.75**	**730.39**	**327.07**	**3.93**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

7. Impairment testing of goodwill and brand

Carrying amount of goodwill and brand allocated to each of the CGUs:

	Fusion Cosmeceutics Private Limited	Just4Kids Services Private Limited	B Blunt	Total
Intangible assets				
Goodwill (Also refer note 44)	155.48	1,360.63	372.27	1,888.38
Brand (Also refer note 44)	168.49	-	820.80	989.29

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 unit 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.

	Fusion Cosmeceutics Private Limited	Just4Kids Services Private Limited	B Blunt
Terminal growth rate	5%	5%	5%
Discount rate	16.40%	18.20%	16.60%

Sensitivity change in assumptions

Based on the above, no impairment was identified as of September 30, 2022 and March 31, 2022 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.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

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Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure VI - Notes to Restated Ind AS Summary Statements
(All amounts in Rs. million, except as otherwise stated)

8 Investments

Current	**Consolidated**	**Standalone**			**Consolidated**	**Standalone**		
	No of units				**Amount**			
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(valued at amortised cost)								
Unquoted Other Investments								
CFSL Commercial Paper	-	-	-	400	-	-	-	184.38
Total Unquoted investments [A]					**-**	**-**	**-**	**184.38**
Quoted Bonds and Debentures								
HDFC Bank Limited Series-1, 8.85%, BD Perpetual	-	200	-	-	-	208.65	-	-
State Bank Of India Series-1, 9.56%, NCD Perpetual	100	100	-	-	111.82	111.82	-	-
Total quoted bonds and debentures valued at amortised cost [B]					**111.82**	**320.47**	**-**	**-**
(valued at fair value through profit and loss)								
Quoted Mutual Funds								
Kotak Money Market Fund Direct - Growth	-	-	12,005	15,297	-	-	41.82	50.68
UTI MMMF Direct - Growth	1,675	1,675	1,675	26,806	4.26	4.17	4.01	60.79
Aditya Birla SL Savings Direct - Ultra Short term	-	-	1,43,477	1,43,477	-	-	61.24	57.51
SBI Magnum Ultra Short Duration Direct - Growth	16,781	16,781	16,781	13,578	83.75	82.18	79.19	60.83
IDFC Banking and PSU Debt Fund - Direct Plan - Growth*	60,89,295	60,89,294	60,89,294	60,89,294	125.85	124.22	118.99	109.39
HDFC Corporate Bond Direct - Growth	52,09,120	52,09,120	44,46,937	44,46,937	139.25	137.94	111.99	102.65
ICICI Prudential Corporate Bond Direct - Growth*	70,98,408	70,98,408	70,98,408	70,98,408	178.74	174.52	166.86	152.69
DSP Short Term Direct - Growth	36,85,984	36,85,984	36,85,984	36,85,984	150.84	149.44	143.18	132.46
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	20,11,797	44,64,425	94.30	93.10	50.19	102.18
IDFC Bond ShortTerm Direct - Growth	23,54,846	23,54,846	23,54,846	23,54,846	115.93	115.38	110.35	102.11
IDFC Dynamic bond fund- Dir - Growth	-	33,27,510	-	-	-	101.12	-	-
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	25,50,009	25,50,009	148.40	146.82	110.87	102.29
Tata Short Term Bond Direct-Growth	-	6,35,243	11,14,192	-	-	26.86	45.07	-
HDFC Money Market Direct-Growth	24,238	24,238	24,238	-	115.21	112.82	108.44	-
HDFC Floating Rate Debt Direct-Growth	6,62,657	17,90,652	-	-	27.18	71.80	-	-
HDFC Ultra Short Term Fund Direct-Growth	-	-	43,41,031	-	-	-	51.83	-
Axis Banking & PSU Debt Direct-Growth	12,250	12,250	12,250	-	27.17	26.79	25.70	-
Axis Strategic Bond Fund - Direct Growth	37,96,366	42,18,184	-	-	92.42	101.21	-	-
Kotak Banking and PSU Debt Direct-Growth	-	9,60,450	7,74,560	-	-	52.13	39.91	-
Kotak Corporate Bond Direct-Growth	29,390	29,390	10,038	-	93.28	92.08	29.96	-
Kotak Money Market Fund Direct-Growth	-	14,946	-	-	-	54.11	-	-
L&T Triple Ace Bond Direct-Growth*	11,31,887	24,51,157	13,30,969	-	71.09	154.08	79.38	-
Axis Treasury Advantage Direct-Growth	-	816	816	-	-	2.11	2.03	-
ICICI Pru Short Term Direct-Growth	11,94,439	11,94,439	2,06,717	-	62.62	60.97	10.05	-
ICICI Pru Medium Term Bond Direct-Growth	-	7,87,544	-	-	-	30.28	-	-
ICICI Prudential Overnight Fund Growth	-	120	-	-	-	0.01	-	-
ICICI Pru Long Short Fund II	4,99,975	-	-	-	50.30	-	-	-
Bharat Bond FOF - April 2025 Direct-Growth	93,79,196	93,79,196	47,10,982	-	100.83	101.51	48.21	-
Bharat Bond FOF - April 2030 Direct-Growth	26,41,690	46,20,515	46,20,515	-	31.83	53.01	50.08	-
Bharat Bond FOF - April 2031 Direct-Growth	19,78,826	-	-	-	21.24	-	-	-

(All amounts in Rs. million, except as otherwise stated)

8 Investments

Current	Consolidated		Standalone		Consolidated		Standalone	
	No of units				Amount			
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	1,46,286	-	20.92	21.53	20.51	-
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	-	-	44.68	43.17	-	-
ICICI Pru Corporate Credit Opportunity AIF I	1,72,765	99,995	-	-	17.81	10.00	-	-
UTI Liquid Cash Direct - Growth	-	-	-	7,789	-	-	-	25.32
Nippon India Money Market Direct-Growth	-	30,178	-	-	-	101.11	-	-
Nippon India Corporate Bond Direct-Growth	3,16,628	3,16,628	-	-	15.92	15.69	-	-
Nippon India ETF Nifty SDL - 2026 Maturity-Growth	5,00,000	5,00,000	-	-	53.76	54.03	-	-
HSBC Ultra Short Duration Fund Direct-Growth	-	73,319	-	-	-	80.82	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct-Growth	1,31,46,157	1,31,46,157	-	-	140.33	141.20	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2027 Direct-Growth	-	49,61,989	-	-	-	50.65	-	-
Edelweiss Credit Plus Fund AIF	2,275	1,500	-	-	22.75	15.00	-	-
Aditya Birla SL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund Direct-Growth	-	49,58,594	-	-	-	50.46	-	-
Aditya Birla SL Floating rate Direct-Growth	2,51,530	2,51,530	-	-	72.80	71.32	-	-
Aditya Birla Sun Life Money Manager Fund	-	3,538	-	-	-	1.06	-	-
Kotak Savings Fund-Direct Plan - Growth	1,38,566	-	-	-	5.10	-	-	-
IDFC Banking & PSU Debt Futrd-Direct Plan - Growth	2,46,308	-	-	-	5.09	-	-	-
HDFC Ultra Short Term Fund - Direct Growth	4,02,165	-	-	-	5.10	-	-	-
ABSL Floating Rate Fund - Direct Growth	17,637	-	-	-	5.10	-	-	-
HDFC low duration fund	-	13,238	-	-	-	0.62	-	-
HDFC overnight fund	-	28,850	-	-	-	91.09	-	-
Total [C]					**2,143.85**	**2,816.41**	**1,509.86**	**1,058.90**
Quoted Bonds and Debentures								
Muthoot Fincorp Limited - Market Linked Debenture - Non Convertible	-	130	130	-	-	145.12	134.40	-
Asirvad Microfin Limited MLD	20	20	-	-	22.67	21.02	-	-
Shriram City Union MLD	80	80	-	-	84.53	81.97	-	-
Vivriti Capital Pvt Ltd	50	-	-	-	52.38	-	-	-
Total [D]					**159.58**	**248.11**	**134.40**	**-**
Total quoted investments at fair value [E=C+D]					**2,303.43**	**3,064.52**	**1,644.26**	**1,058.90**
Total Quoted investments [F=E+B]					**2,415.25**	**3,384.99**	**1,644.26**	**1,058.90**
Unquoted other investments								
Beauty Wellness Association India					0.10	0.10	-	-
Total Unquoted investments [G]					**0.10**	**0.10**	**-**	**-**
Total Investments [A+F+G]					**2,415.35**	**3,385.09**	**1,644.26**	**1,243.28**
Aggregate book value of quoted investments [E]					2,303.43	3,064.52	1,644.26	1,058.90
Aggregate market value of quoted investments [E]					2,303.43	3,064.52	1,644.26	1,058.90
Aggregate value of unquoted investments [G]					0.10	0.10	-	184.38

*Includes an amount of Rs 83.96 million as at September 30, 2022 (March 31, 2022: Rs 294.12 million; March 31, 2021: Nil; March 31, 2020: Nil) secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department and TLG India Pvt Ltd.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
9 Other financial assets				
(Unsecured, considered good)				
Carried at amortised cost				
Non-current				
Security deposits	42.45	22.91	7.34	3.12
Fixed deposit with maturity of more than 12 months*#	880.60	821.84	53.27	-
Interest accrued	15.05	1.41	-	-
	938.10	**846.16**	**60.61**	**3.12**
Current				
Security deposits	6.17	7.58	3.37	1.36
Expense recoverable from shareholders **	47.67	-	-	-
Interest accrued	49.55	37.80	1.11	6.48
Advance to employees	-	0.94	-	-
	103.39	**46.32**	**4.48**	**7.84**

*Includes an amount of Rs 65.26 millions as at September 30, 2022 (March 31, 2022: Rs 56.47 millions; March 31, 2021: Rs 14.27 millions, March 31, 2020: Nil) secured against bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease and performance guarantees issued in favour of TLG India Pvt Ltd.
Includes an amount of Rs 113.85 million as at September 30, 2022 (March 31, 2022: Rs 113.85 million; March 31, 2021: Nil; March 31, 2020: Nil) secured against overdraft facility of Rs 100 millions with HDFC Bank.

** Expense recoverable from shareholders of Rs. 47.67 million incurred by the Holding Company is towards proposed Initial Public Offering (IPO) of the equity shares held by the selling shareholders. As per the offer agreement with the selling shareholders, these expenses are recoverable in proportion to the shares that are expected to be offered to the public in the offering.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

	Consolidated		Standalone	
10 Income tax assets (net)	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Non-current				
Advance tax (net)	48.06	48.61	1.52	0.57
	48.06	**48.61**	**1.52**	**0.57**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

	Consolidated		Standalone	
11 Inventories	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
(valued at lower of cost and net realizable value)				
Traded goods*	1,250.17	671.38	417.42	136.71
Less: Provision for slow moving inventories	(28.86)	(12.86)	(3.95)	-
	1,221.31	**658.52**	**413.47**	**136.71**

*Traded goods includes goods in transit of Rs 26.29 millions as at September 30, 2022 (March 31, 2022: Rs.4.96 million; March 31, 2021: Rs. 8.33 million; March 31, 2020: Rs. 4.74 million).

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
12 Trade receivables				
Carried at amortised cost				
Trade receivables	1,419.00	727.86	338.43	106.06
	1,419.00	**727.86**	**338.43**	**106.06**
Break-up for security details				
Trade receivables				
Unsecured, considered good	1,419.00	727.86	338.43	106.06
Trade receivables - credit impaired	30.87	16.34	5.02	2.04
	1,449.87	**744.20**	**343.45**	**108.10**
Impairment allowance (allowance for bad and doubtful debts)				
Trade receivables - credit impaired	(30.87)	(16.34)	(5.02)	(2.04)
	(30.87)	**(16.34)**	**(5.02)**	**(2.04)**
Total trade receivables	**1,419.00**	**727.86**	**338.43**	**106.06**
Movement in impairment allowance (allowance for bad and doubtful debts)				
Opening balance	16.34	5.02	2.04	1.11
Add: Charge for the period	13.62	5.34	2.98	0.93
Add: Acquisition (Refer note - 44)	0.91	5.98	-	-
Closing balance	**30.87**	**16.34**	**5.02**	**2.04**

As at September 30, 2022 (Consolidated)

	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	481.69	913.31	18.85	4.62	0.53	-	1,419.00
Undisputed Trade receivable - credit impaired	-	3.72	17.42	6.76	2.97	-	30.87
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	481.69	**917.03**	**36.27**	**11.38**	**3.50**	-	**1,449.87**
Less: Allowance for bad and doubtful debts	-	(3.72)	(17.42)	(6.76)	(2.97)	-	(30.87)
Total trade receivables	**481.69**	**913.31**	**18.85**	**4.62**	**0.53**	-	**1,419.00**

As at March 31, 2022 (Consolidated)

	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	352.46	373.80	1.60	-	-	-	727.86
Undisputed Trade receivable - credit impaired	-	2.10	7.49	6.75	-	-	16.34
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	352.46	**375.90**	**9.09**	**6.75**	-	-	**744.20**
Less: Allowance for bad and doubtful debts	-	(2.10)	(7.49)	(6.75)	-	-	(16.34)
Total trade receivables	**352.46**	**373.80**	**1.60**	-	-	-	**727.86**

As at March 31, 2021(Standalone)

	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	126.27	212.16	-	-	-	-	338.43
Undisputed Trade receivable - credit impaired	-	-	5.02	-	-	-	5.02
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	126.27	**212.16**	**5.02**	-	-	-	**343.45**
Less: Allowance for bad and doubtful debts	-	-	(5.02)	-	-	-	(5.02)
Total trade receivables	**126.27**	**212.16**	-	-	-	-	**338.43**

As at March 31, 2020 (Standalone)

	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	44.71	61.35	-	-	-	-	106.06
Undisputed Trade receivable - credit impaired	-	-	2.04	-	-	-	2.04
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	44.71	**61.35**	**2.04**	-	-	-	**108.10**
Less: Allowance for bad and doubtful debts	-	-	(2.04)	-	-	-	(2.04)
Total trade receivables	**44.71**	**61.35**	-	-	-	-	**106.06**

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

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

13 Cash and cash equivalents	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents				
Cash in hand	1.07	1.02	0.35	0.11
Balance with banks				
- on current accounts	93.63	336.43	97.24	19.05
	94.70	**337.45**	**97.59**	**19.16**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:				
Cash in hand	1.07	1.02	0.35	0.11
Balance with banks				
- on current accounts	93.63	336.43	97.24	19.05
Less - Bank overdraft (note 19)	(71.86)	(33.57)	-	-
	22.84	**303.88**	**97.59**	**19.16**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

14 Bank balances other than cash and cash equivalents	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deposits with remaining maturity of more than three months but less than or equal to twelve months	869.50	539.40	109.95	244.99
	869.50	**539.40**	**109.95**	**244.99**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

15 Other assets	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non-current				
Capital advances	13.13	-	-	-
	13.13	-	-	-
Current				
Balance with government authorities	279.30	242.22	51.74	23.82
Unbilled revenue	26.49	-	-	-
Advance to employees	2.44	0.88	6.50	-
Prepaid expenses*	87.21	30.82	18.63	0.44
Advance to suppliers	92.05	51.93	68.35	14.03
	487.49	325.85	145.22	38.29
Less: Provision for doubtful advances to suppliers	(8.00)	-	-	-
	479.49	**325.85**	**145.22**	**38.29**

*includes IPO expense of Rs 13.16 million as at September 30, 2022 carried forward as prepaid expenses pertaining to Company' share and the aforesaid amount will be adjusted with securities premium at the time of issue of shares in accordance with requirement of Section 52 of the Companies Act, 2013.

Unbilled revenue ageing schedule

	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
September 30, 2022 (Consolidated)						
Undisputed unbilled revenue- considered good	26.49	-	-	-	-	**26.49**
Total	**26.49**	-	-	-	-	**26.49**
March 31, 2022 (Consolidated)						
Undisputed unbilled revenue- considered good	-	-	-	-	-	-
Total	-	-	-	-	-	-
March 31, 2021 (Standalone)						
Undisputed unbilled revenue- considered good	-	-	-	-	-	-
Total	-	-	-	-	-	-
March 31, 2020 (Standalone)						
Undisputed unbilled revenue- considered good	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no disputed dues for the period ended September 30, 2022, year ended March 31, 2022, March 31, 2021 and March 31, 2020.
The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

16 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	**Amount**
Equity share capital of Rs 10 each		
As at April 01, 2019 (Standalone)	40,000	0.40
Increase during the year	-	-
As at March 31, 2020 (Standalone)	**40,000**	**0.40**
Increase during the year	-	-
As at March 31, 2021 (Standalone)	**40,000**	**0.40**
Increase during the year	-	-
As at March 31, 2022 (Consolidated)	**40,000**	**0.40**
Increase during the period	13,99,60,000	1,399.60
As at September 30, 2022 (Consolidated)	**14,00,00,000**	**1,400.00**
Equity share capital of Rs 100 each		
As at April 01, 2019 (Standalone)	580	0.06
Increase during the year	-	-
As at March 31, 2020 (Standalone)	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2021 (Standalone)	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2022 (Consolidated)	**580**	**0.06**
Increase during the period	-	-
As at September 30, 2022 (Consolidated)	**580**	**0.06**
Equity share capital of Rs 90 each		
As at April 01, 2019 (Standalone)	-	-
Increase during the year	-	-
As at March 31, 2020 (Standalone)	-	-
Increase during the year	-	-
As at March 31, 2021 (Standalone)	-	-
Increase during the year	-	-
As at March 31, 2022 (Consolidated)	-	-
Increase during the period	290	0.03
As at September 30, 2022 (Consolidated)	**290**	**0.03**

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

	Numbers	**Amount**
Equity share capital of Rs 10 each, fully paid up		
As at April 01, 2019 (Standalone)	10,200	0.10
Issued during the year *	7	0.00
As at March 31, 2020 (Standalone)	**10,207**	**0.10**
Issued during the year **	18	0.00
As at March 31, 2021 (Standalone)	**10,225**	**0.10**
Issued during the year ***	31	0.00
As at March 31, 2022 (Consolidated)	**10,256**	**0.10**
Issued during the period - Refer note (i) below	2,59,460	2.60
Bonus Issue during the period - Refer note (ii) below	13,60,32,854	1,360.33
Shares split during the period - Refer note (iii) below****	290	0.00
As at September 30, 2022 (Consolidated)	**13,63,02,860**	**1,363.03**

* Represents amount of Rs 70.
** Represents amount of Rs 180.
*** Represents amount of Rs 310.
**** Represents amount of Rs 2,900.

Equity share capital of Rs 100 each, fully paid up		
As at April 01, 2019 (Standalone)	290	0.03
Issued during the year	-	-
As at March 31, 2020 (Standalone)	**290**	**0.03**
Issued during the year	-	-
As at March 31, 2021 (Standalone)	**290**	**0.03**
Issued during the year	-	-
As at March 31, 2022 (Consolidated)	**290**	**0.03**
Issued during the period	-	-
Share split during the period - Refer note (iii) below	(290)	(0.03)
As at September 30, 2022 (Consolidated)	-	-

(All amounts in Rs. million, except as otherwise stated)

16 Share Capital (continued)

Equity share capital of Rs 90 each, fully paid up	Numbers	Amount
As at April 01, 2020 (Standalone)	-	-
Issued during the period	-	-
As at April 01, 2021 (Standalone)	-	-
Issued during the period	-	-
As at March 31, 2022 (Consolidated)	-	-
Issued during the period	-	-
Share split during the period - Refer note (iii) below	290	0.03
Bought back during the period - Refer note (iv) below	(290)	(0.03)
As at September 30, 2022 (Consolidated)	-	-

Notes:
(i) During the period ended September 30, 2022, the Company issued 2,59,460 equity shares of Rs.10 each.
(ii) During the period ended September 30, 2022, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of Rs 10 each on May 11, 2022.
(iii) Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of Rs. 100 per share was split into one equity share of face value of Rs.10 per share and one equity share of face value of Rs.90 per share, with effect from April 28, 2022.

(iv) Pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of Rs.90 per share was bought back on September 22, 2022 for Rs.90 per share.

(c) Terms/rights attached to equity shares

(i) The Holding Company has equity shares having par value of Rs 10 and Rs 100 per share. Each shareholder of equity shares is entitled to have one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation, 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.

Pursuant to the approval of the shareholders accorded in the Extraordinary General Meeting (EGM) of the Holding Company held on April 28, 2022, each equity share of face value of Rs. 100 per share was split into one equity share of face value of Rs.10 per share and one equity share of face value of Rs.90 per share, with effect from April 28, 2022. Further, pursuant to the approval of the Board of directors on September 13, 2022, equity share of face value of Rs.90 per share was bought back on September 22, 2022 for Rs.90 per share.

(ii) Nil (March 31, 2022: Nil; March 31, 2021: 916, March 31, 2020: 686) equity shares of Rs. 10 each were redeemable at the option of the holder and therefore they are considered as a puttable instrument. These equity shares meet the condition of equity classification as per Ind AS 32 and are therefore, classified and accounted for as equity.

(d) Details of shareholders holding more than 5% shares in the Holding Company:

	Consolidated						Standalone	
	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %
Equity shares of Rs. 10 each, fully paid								
Varun Alagh	106,737,800	78%	8,282	81%	8,514	82%	8,514	83%
Ghazal Alagh	10,065,200	7%	788	8%	788	8%	1,000	10%
	116,803,000		**9,070**		**9,302**		**9,514**	
Equity shares of Rs. 100/- each fully paid*								
Shilpa Shetty Kundra	-	-	108	37%	290	100%	290	100%
Evolvence Fund III LTD	-	-	102	35%	-	-	-	-
Evolvence India Coinvest PCC	-	-	68	23%	-	-	-	-
			278		**290**		**290**	

* Refer note (c)(i) above

(e) Details of shares held by promoters:
Equity shares of Rs 10 each, fully paid

As at September 30, 2022 (Consolidated)

Promoter Name	No. of shares at the beginning of the period	Bonus issue	Change during the period	No. of shares at the end of the period	% of total shares	% change during the period
Varun Alagh	8,282	106,829,518	(1,00,000)	106,737,800	78%	2%
Ghazal Alagh	788	10,164,412	(1,00,000)	10,065,200	7%	0%

As at March 31, 2022 (Consolidated)

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

(All amounts in Rs. million, except as otherwise stated)

16 Share Capital (continued)

As at March 31, 2021 (Standalone)

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

As at March 31, 2020 (Standalone)

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

(f) Shares reserved for issue under options

For details of shares reserved for issue on conversion of NCCCPS, Refer note 17.
For details of shares reserved for issue against share warrants, Refer note 37.
For details of shares reserved for issue under the employee stock option plan (ESOP) and Share appreciation rights (SARs), Refer note 39.

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 period ended September 30, 2022, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of Rs 10 each on May 11, 2022.

(ii) Pursuant to the approval of the Board of directors on September 13, 2022, 290 equity shares of face value of Rs. 90 per share were bought back on September 22, 2022 for Rs 90 per share.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

17 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 Rs 10 each		
As at April 1, 2019 (Standalone)		
Class A NCCCPS	10,000	0.10
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Change during the year		
Reclassed from Class A to Class D		
Class D NCCCPS	4,161	0.04
Class A NCCCPS	(4,161)	(0.04)
As at March 31, 2020 (Standalone)	**16,730**	**0.17**
Increase during the year	-	-
As at March 31, 2021 (Standalone)	**16,730**	**0.17**
Increase during the year		
Class E NCCCPS	10,000	0.10
Reclassed from Class E to Class F		
Class E NCCCPS	(5,000)	(0.05)
Class F NCCCPS	5,000	0.05
As at March 31, 2022 (Consolidated)	**26,730**	**0.27**
Increase during the period	-	-
As at September 30, 2022 (Consolidated)	**26,730**	**0.27**

b) Issued, subscribed and fully paid shares

	NCCCPS	
	Numbers	**Amount**
NCCCPS of Rs. 10 each		
As at April 1, 2019 (Standalone)		
Class A NCCCPS	581	-
Class B NCCCPS	1,885	-
Class C NCCCPS	4,845	-
Increase during the year		
Class D NCCCPS	4,161	-
As at March 31, 2020 (Standalone)	11,472	-
Increase during the year	-	-
As at March 31, 2021 (Standalone)	**11,472**	**-**
Reclassified during the year		
Class A NCCCPS - Refer note (i) below	581	989.60
Class B NCCCPS - Refer note (i) below	1,885	3,210.68
Class C NCCCPS - Refer note (i) below	4,845	8,252.38
Class D NCCCPS - Refer note (i) below	4,161	7,087.33
Increase during the year		
Class E NCCCPS - Refer note (ii) below	902	0.01
Class F NCCCPS - Refer note (ii) below	839	0.01
	13,213	19,540.01
Less: Reclass to Securities Premium as per Companies Act, 2013 (Refer note (i) below)	-	1,610.65
As at March 31, 2022 (Consolidated)	**13,213**	**17,929.36**
Increase during the period	-	-
As at September 30, 2022 (Consolidated)	**13,213**	**17,929.36**

(All amounts in Rs. million, except as otherwise stated)

17 Instrument entirely in the nature of equity (continued)

Note (i): In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Holding Company, in terms of the shareholders agreement, had exit rights including requiring the Holding Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value of Rs. 398.61 million, Rs. 5,927.56 million and Rs. 19,539.99 million as at April 01, 2019, March 31, 2020 and as at March 31, 2021 respectively and the change in fair value of liability of Rs. 4,238.68 million and Rs. 13,612.43 million has been recognized as an expense in the Restated Ind AS Summary Statement of Profit and Loss for the year ended March 31, 2020 and year ended March 31, 2021 respectively. Further, subsequently on April 01, 2021, the Holding Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs. 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs. 17,929.34 million and Rs. 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.

Note (ii): The Company has issued 902 Class E NCCCPS of Rs.10 at a premium of Rs.2.24 million per share and 839 Class F NCCCPS of Rs.10 at a premium of Rs.3.39 million per share during the year ended March 31, 2022.

(c) Terms/rights attached to NCCCPS

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

Each holder of NCCCPS Class A, B, C, D, E &F shares may convert the shares at the option of the holder into 1 equity share of the Holding 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.

During the period ended September 30, 2022, the Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shares of Rs 10 each on May 11, 2022. Consequently, each holder of NCCCPS Class A, B, C, D, E & F shares conversion ratio is changed to 12,900:1.

Also refer Note - 19.

(d) Details of shareholders holding more than 5% shares in the Holding Company:

	Consolidated				Standalone			
	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %	Nos.	Holding %
Class A NCCCPS of Rs. 10 each, fully paid								
Fireside Venture Trust	108	19%	108	19%	141	24%	254	44%
Suhail Sameer	116	20%	116	20%	116	20%	116	20%
SCI Investments VI	209	36%	209	36%	209	36%	186	32%
Sofina Ventures S.A.	64	11%	64	11%	64	11%	-	-
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	33	6%	33	6%	-	-	-	-
	530		**530**		**530**		**556**	
Class B NCCCPS of Rs. 10 each, fully paid								
Fireside Ventures Investment Fund-I	199	11%	199	11%	199	10%	1,347	72%
Kunal Bahl	-	-	-	-	-	-	269	14%
Rohit Kumar Bhansal	-	-	-	-	-	-	269	14%
SCI Investments VI	454	24%	454	24%	454	24%	-	-
Sofina Ventures S.A.	1,062	56%	1,062	56%	1,062	56%	-	-
	1,715		**1,715**		**1,715**		**1,885**	
Class C NCCCPS of Rs. 10 each, fully paid								
Fireside Ventures Investment Fund-I	1,780	37%	1,780	37%	1,780	37%	1,780	37%
Stellaris Venture Partners	1,764	36%	1,764	36%	1,764	36%	2,131	44%
Rishabh Mariwala	642	13%	642	13%	642	13%	734	15%
Sofina Ventures S.A.	252	5%	252	5%	252	5%	-	-
	4,438		**4,438**		**4,438**		**4,645**	
Class D NCCCPS of Rs. 10 each, fully paid								
SCI Investments VI	3,346	80%	3,346	80%	3,346	80%	3,346	80%
Fireside Ventures Investment Fund-I	363	9%	363	9%	363	9%	363	9%
Stellaris Venture Partners	363	9%	363	9%	363	9%	363	9%
	4,072		**4,072**		**4,072**		**4,072**	
Class E NCCCPS of Rs. 10 each, fully paid								
SCI Investments VI	82	9%	82	9%	-	-	-	-
Sofina Ventures S.A	656	73%	656	73%	-	-	-	-
Evolvence Fund III LTD	164	18%	164	18%	-	-	-	-
	902		**902**		**-**		**-**	
Class F NCCCPS of Rs. 10 each, fully paid								
Sequoia Capital Global Growth Fund III – U.S./India Annex Fund, L.P.	839	100%	839	100%	-	-	-	-
	839		**839**		**-**		**-**	

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

18 Other equity

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Securities premium	5,191.73	6,504.71	20.08	18.76
Retained earnings	(17,561.82)	(17,585.30)	(17,719.98)	(4,397.81)
Employee stock option outstanding reserve	358.99	207.34	48.34	7.22
Capital redemption reserve	0.03	-	-	-
	(12,011.07)	**(10,873.25)**	**(17,651.56)**	**(4,371.83)**
a) Securities premium				
Opening Balance	6,504.71	20.08	18.76	18.38
Add: Premium on issue of equity shares	58.46	6.26	0.90	0.38
Less: Transaction cost on issue of shares	(12.71)	(4.87)	-	-
Add: Premium on issue of NCCCPS	-	4,863.85	-	-
Add: Premium towards NCCCPS reclassification (Refer note 17 (b))	-	1,610.65	-	-
Add: Transferred to securities premium on exercise of stock options	1.60	8.74	0.42	-
Less: Utilised on issue of bonus shares	(1,360.33)	-	-	-
Closing balance	**5,191.73**	**6,504.71**	**20.08**	**18.76**
b) Retained earnings				
Opening Balance	(17,585.30)	(17,719.98)	(4,397.91)	(117.34)
Add: Restated Profit/(loss) for the period/year	76.94	157.15	(13,322.15)	(4,280.26)
Add: Other comprehensive income	1.46	1.03	0.08	(0.21)
Less: Change in fair value of non-controlling interest liability (Refer note 44)	(35.83)	(10.79)	-	-
Less: Reclass for Non-controlling interest (Refer note 44)	(19.06)	(12.71)	-	-
Less: Transfer to capital redemption reserve on buyback of shares	(0.03)	-	-	-
	(17,561.82)	(17,585.30)	(17,719.98)	(4,397.81)
Less: IND AS 116 transition adjustment (Refer Annexure VII)	-	-	-	(0.10)
Closing balance	**(17,561.82)**	**(17,585.30)**	**(17,719.98)**	**(4,397.91)**
c) Employee stock option outstanding reserve				
Opening Balance	207.34	48.34	7.22	0.68
Add: Share based payment expense for the period/year (Refer note 39)	125.51	167.74	41.54	6.54
Add: On account of modification of stock appreciation rights liability to equity (Refer note 39)	27.74	-	-	-
Less: Transferred to securities premium on exercise of stock options	(1.60)	(8.74)	(0.42)	-
Closing balance	**358.99**	**207.34**	**48.34**	**7.22**
d) Capital redemption reserve				
Opening Balance	-	-	-	-
Add: Transfer from retained earnings	0.03	-	-	-
Closing balance	**0.03**	**-**	**-**	**-**

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, 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 Restated Ind AS Summary Statement of Profit and Loss.

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

Stock appreciation rights ('SAR') were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Group has removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to Restated Ind AS Summary Statement of Profit and Loss. The fair value as on the date of modification has been transferred to Employee stock option outstanding reserve.

d) Capital redemption reserve
The capital redemption reserve represents the reserve created by the Holding Company on buy back of equity shares.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

19 Borrowings

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non Current				
Carried at fair value				
Non- Cumulative Compulsorily Convertible Preference Shares (NCCCPS) (Refer Note below)	-	-	19,539.99	5,927.56
	-	**-**	**19,539.99**	**5,927.56**

Note:
In respect of Non-Cumulative Compulsorily convertible preference shares ('NCCCPS'), the NCCCPS holders of the Holding Company, in terms of the shareholders agreement, had exit rights including requiring the Holding Company to buy back shares held by them. Accordingly, on transition to Ind AS, since the redemption feature is conditional upon an event not under the control of the issuer, and may require entity to deliver cash, which issuer cannot avoid, NCCCPS are classified as liability at fair value of Rs. 398.61 million, Rs. 5,927.56 million and Rs. 19,539.99 million as at April 01, 2019, March 31, 2020 and as at March 31, 2021 respectively and the change in fair value of liability of Rs. 4,238.68 million and Rs. 13,612.43 million has been recognized as an expense in the Restated Ind AS Summary Statement of Profit and Loss for the year ended March 31, 2020 and year ended March 31, 2021 respectively. Further, subsequently on April 01, 2021, the Holding Company and the NCCCPS holders have agreed to waive the buy-back rights granted to the NCCCPS holders under the shareholders agreement. Hence, the fair value of NCCCPS liability amounting to Rs. 19,539.99 million has been classified from borrowings to instruments entirely in the nature of equity to the extent of Rs. 17,929.34 million and Rs. 1,610.65 million representing securities premium on the NCCCPS has been reclassified to other equity.

	Consolidated		Standalone	
Current	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost				
Bank overdraft (secured)*	71.86	33.57	-	-
Unsecured loans#	0.68	2.29	-	-
	72.54	**35.86**	**-**	**-**

* The aforesaid bank overdraft is secured by Fixed deposits with HDFC bank and is repayable on demand. The facility carries interest rate @ FD rate+0.50% p.a.
# The unsecured loans are interest free and are repayable on demand.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

20 Other Financial liabilities

	Consolidated		Standalone	
Non Current	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Carried at fair value				
Non-controlling interest liability*	462.37	589.79	-	-
Stock appreciation rights (Refer note 39)**	-	9.02	-	-
	462.37	**598.81**	**-**	**-**
Current				
Carried at fair value				
Stock appreciation rights (Refer note 39)**	-	11.13	-	-
Non-controlling interest liability *	158.62	-	-	-
	158.62	**11.13**	**-**	**-**
Carried at amortised cost				
Consideration payable (Refer note 44)	-	20.53	-	-
Employee benefits payable	67.29	88.86	45.13	10.72
Payable for capital goods	18.64	7.18	-	-
Other payables	-	1.83	-	-
	85.93	**118.40**	**45.13**	**10.72**
	244.55	**129.53**	**45.13**	**10.72**

*During the year ended March 31, 2022, the Company has acquired 74.32% shareholding in Just4Kids Services Private Limited for a consideration of Rs 944.58 million. Pursuant to the Shareholders Agreement between the Holding Company and existing shareholders of Just4kids Services Private Limited, both the parties have the obligation to purchase and sell the remaining shares of the existing shareholders at a pre-agreed valuation. The Group has accounted for the present value of future obligation amounting to Rs 579.00 million as a financial liability as on date of acquisition. The group has fair valued the obligation and has recorded a fair valuation loss of Rs.35.83 million during the period ended September 30, 2022 and Rs.10.79 million during the year ended March 31, 2022 in equity in respect of the Non-controlling interests liability. Further, the Group has settled NCI liability of Rs 4.63 million during the period ended September 30, 2022.
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.

** Stock appreciation rights were considered as cash settled till May 30, 2022. However w.e.f. May 31, 2022, the Holding Company has made modifications to the scheme and the scheme is now accounted for as an equity settled share based payments scheme. The differential between fair value as on previous reporting date and as on the date of modification in scheme aggregating to Rs. 7.58 million has been included in the Restated Ind AS Summary Statement of profit and loss. The fair value as on the date of modification has been transferred to Employee stock option outstanding reserve. (Refer note 18)

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

21 Provisions

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non-current				
Provision for Gratuity - Refer note 35	45.66	35.54	9.55	3.24
	45.66	**35.54**	**9.55**	**3.24**
Current				
Provision for Gratuity - Refer note 35	1.56	1.68	0.04	-
Provision for Leave benefits	29.88	22.21	9.42	2.57
	31.44	**23.89**	**9.46**	**2.57**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

22 Other liabilities

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current				
Statutory dues payable	68.22	61.83	25.63	8.76
Advance from customers	37.81	38.94	15.32	3.03
Deferred revenue	40.01	19.93	11.81	3.11
	146.04	**120.70**	**52.76**	**14.90**

Movement during the year/period	**Advance from customers**	**Deferred revenue**
Balance as at April 01, 2019 (Standalone)	0.06	-
Arising during the year	3.03	3.11
Utilised during the year	(0.06)	-
Balance as at March 31, 2020 (Standalone)	**3.03**	**3.11**
Arising during the year	15.32	11.81
Utilised during the year	(3.03)	(3.11)
Balance as at March 31, 2021 (Standalone)	**15.32**	**11.81**
Arising during the year	38.94	19.93
Utilised during the year	(15.32)	(11.81)
Balance as at March 31, 2022 (Consolidated)	**38.94**	**19.93**
Arising during the period	37.81	40.01
Utilised during the period	(38.94)	(19.93)
Balance as at September 30, 2022 (Consolidated)	**37.81**	**40.01**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

23 Trade payables
Carried at amortised cost

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises ('MSME')	51.77	34.99	121.27	76.97
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,224.38	1,668.53	682.15	142.04
	2,276.15	**1,703.52**	**803.42**	**219.01**

There are no non-current trade payables as on September 30, 2022 (March 31, 2022: Nil; March 31, 2021: Nil, March 31, 2020: Nil).

(All amounts in Rs. million, except as otherwise stated)

23 Trade payables (continued)

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:

	Consolidated		Standalone	
Particulars	**September 30, 2022**	**March 31, 2022**	**March 31, 2021**	**March 31, 2020**
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/year:				
Principal amount due to micro and small enterprises	49.92	33.82	120.32	76.88
Interest due on the above	1.85	1.17	0.95	0.09
Total	**51.77**	**34.99**	**121.27**	**76.97**
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period/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 period/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 period/year	0.68	0.22	0.86	0.04
(v) The amount of further interest remaining due and payable even in the succeeding period/years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	1.85	1.17	0.95	0.09

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 note 42.

Trade payable (outstanding for following periods from the date of transaction) aging schedule:

	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
September 30, 2022 (Consolidated)						
(i) Undisputed dues - MSME	-	51.70	0.07	-	-	51.77
(ii) Undisputed dues - Others	899.47	1,311.22	12.81	0.88	-	2,224.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**899.47**	**1,362.92**	**12.88**	**0.88**	**-**	**2,276.15**
March 31, 2022 (Consolidated)						
(i) Undisputed dues - MSME	-	34.99	-	-	-	34.99
(ii) Undisputed dues - Others	501.87	1,164.13	2.53	-	-	1,668.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**501.87**	**1,199.12**	**2.53**	**-**	**-**	**1,703.52**
March 31, 2021 (Standalone)						
(i) Undisputed dues - MSME	-	121.27	-	-	-	121.27
(ii) Undisputed dues - Others	172.02	508.98	1.14	-	-	682.14
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**172.02**	**630.25**	**1.14**	**-**	**-**	**803.42**
March 31, 2020 (Standalone)						
(i) Undisputed dues - MSME	-	76.97	-	-	-	76.97
(ii) Undisputed dues - Others	35.31	106.73	-	-	-	142.04
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**35.31**	**183.70**	**-**	**-**	**-**	**219.01**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

24(a) Income tax Liability (net)	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Current				
Income tax liability (net of advance tax)	49.70	-	-	-
	49.70	**-**	**-**	**-**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

24(b) Tax expense (net)

The major components of income tax expense for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and for the period ended September 30, 2022, are as below:

a) Restated Ind AS Summary Statement of Profit and Loss

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Current income tax:				
Current tax	78.13	64.11	61.89	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(23.52)	15.85	14.17	-
Total tax expense	**54.61**	**79.96**	**76.06**	**-**

b) Other comprehensive income/(loss)

Deferred tax related to items recognised in OCI:

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Deferred tax charge/(credit) on remeasurements of defined benefit plans	1.06	0.34	0.03	-
Tax expense charged to OCI	**1.06**	**0.34**	**0.03**	**-**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Restated profit/ (loss) before income tax	91.28	224.39	(13,246.09)	(4,280.26)
Applicable tax rate in India	25.17%	25.17%	25.17%	25.17%
Computed tax charge/(credit)	22.98	56.48	(3,334.04)	(1,077.34)
Deferred tax asset not recognised in previous years	-	-	(18.49)	18.49
Deferred tax asset not recognised in subsidiaries	31.69	12.79	-	-
Expenses not deductible under income tax (including change in fair valuation of preference shares)	1.40	7.59	3,426.59	1,061.21
Others	(1.46)	3.10	2.00	(2.36)
Income tax expense reported in the Restated Ind AS Summary Statement of Profit and Loss	**54.61**	**79.96**	**76.06**	**-**

d) Deferred tax relates to the following:

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Deferred tax liability				
Investments - Fair value	51.03	50.64	25.41	6.13
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	82.08	74.03	-	-
	133.11	**124.67**	**25.41**	**6.13**
Deferred tax asset				
Allowance for bad and doubtful debts	5.53	2.22	1.26	0.51
Provision for Gratuity	8.64	7.18	2.41	0.82
Provision for leave encashment	7.47	5.59	2.37	0.65
Provision for bonus	0.86	0.58	0.27	-
Provision for deferred revenue	10.07	5.02	2.97	0.78
Brought forward losses and unabsorbed depreciation	12.46	12.46	-	20.80
Provision for slow moving inventory	10.69	3.24	-	-
Right of Use Asset, net	10.72	2.05	0.93	-
Interest income on security deposits	3.53	0.73	0.03	0.51
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	-	0.97	0.55
	69.97	**39.07**	**11.21**	**24.62**
	63.14	**85.60**	**14.20**	**(18.49)**
Less: Deferred tax not recognised (Refer note (i) below)	-	-	-	**18.49**
Net Deferred tax liability	**63.14**	**85.60**	**14.20**	**-**

Notes:

(i) No deferred tax asset has been recognised for the year ended March 31, 2020 in the absence of the probability that sufficient future taxable income will be available in the foreseeable future against which such deferred tax can be utilized.

(ii) 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.

(All amounts in Rs. million, except as otherwise stated)

24(b) Tax expense (net) (continued)

e) Reconciliation of deferred tax liabilities (net):

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening balance	85.60	14.20	-	-
Tax credit/(expense) during the period/year				
- recognised in Restated Ind AS Summary Statement of Profit and Loss	(23.52)	15.85	14.17	-
- recognised in OCI	1.06	0.34	0.03	-
- Acquisition (Refer Note - 44)	-	55.21	-	-
Closing balance	**63.14**	**85.60**	**14.20**	**-**

f) Movement for the six months period ended September 30, 2022

	April 01, 2022 (Consolidated)	Additions from acquisition (Refer note-44)	Recognised in profit or loss	Recognised in OCI	September 30, 2022 (Consolidated)
Deferred tax liability					
Investments - Fair value	50.64	-	0.39	-	51.03
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	74.03	-	8.05	-	82.08
	124.67	**-**	**8.44**	**-**	**133.11**
Deferred tax asset					
Allowance for bad and doubtful debts	2.22	-	3.31	-	5.53
Provision for Gratuity	7.18	-	2.51	(1.06)	8.64
Provision for leave encashment	5.59	-	1.88	-	7.47
Provision for bonus	0.58	-	0.28	-	0.86
Provision for deferred revenue	5.02	-	5.05	-	10.07
Right of Use Asset, net	2.05	-	8.68	-	10.72
Provision for slow moving inventory	3.24	-	7.45	-	10.69
Interest income on security deposits	0.73	-	2.81	-	3.53
Others	12.46	-	-	-	12.46
Total	**39.07**	**-**	**31.96**	**(1.06)**	**69.97**
Net Deferred tax (asset)/liability	**85.60**	**-**	**(23.52)**	**1.06**	**63.14**

g) Movement for the year ended March 31, 2022

	April 01, 2021 (Standalone)	Additions from acquisition (Refer note-44)	Recognised in profit or loss	Recognised in OCI	March 31, 2022 (Consolidated)
Deferred tax liability					
Investments - Fair value	25.41	3.06	22.17	-	50.64
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	-	64.68	9.35	-	74.03
	25.41	**67.74**	**31.52**	**-**	**124.67**
Deferred tax asset					
Allowance for bad and doubtful debts	1.26	-	0.96	-	2.22
Provision for Gratuity	2.41	1.66	3.45	(0.34)	7.18
Provision for leave encashment	2.37	-	3.22	-	5.59
Provision for bonus	0.27	-	0.31	-	0.58
Provision for deferred revenue	2.97	-	2.05	-	5.02
			-		-
Right of Use Asset, net	0.93	(2.42)	3.54	-	2.05
Provision for slow moving inventory	-	-	3.24	-	3.24
Interest income on security deposits	0.03	0.64	0.06	-	0.73
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.97	-	(0.97)	-	-
Others	-	12.65	(0.19)	-	12.46
Total	**11.21**	**12.53**	**15.67**	**(0.34)**	**39.07**
Net Deferred tax liability	**14.20**	**55.21**	**15.85**	**0.34**	**85.60**

(All amounts in Rs. million, except as otherwise stated)

24(b) Tax expense (net) (continued)

h) Movement for the year ended March 31, 2021

	April 01, 2020 (Standalone)	Recognised in profit or loss	Recognised in OCI	March 31, 2021 (Standalone)
Deferred tax liability				
Investments - Fair value	6.13	19.28	-	25.41
	6.13	**19.28**	**-**	**25.41**
Deferred tax asset				
Allowance for bad and doubtful debts	0.51	0.75	-	1.26
Provision for Gratuity	0.82	1.63	(0.03)	2.42
Provision for leave encashment	0.65	1.72	-	2.37
Provision for bonus	-	0.27	-	0.27
Provision for deferred revenue	0.78	2.19	-	2.97
Right of Use Asset, net	0.51	0.41	-	0.92
Interest income on security deposits	-	0.03	-	0.03
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.55	0.42	-	0.97
Others	20.80	(20.80)	-	-
Total	**24.62**	**(13.38)**	**(0.03)**	**11.21**
Deferred tax	**(18.49)**	**32.66**	**0.03**	**14.20**
Less: Deferred tax not recognised	**(18.49)**	**18.49**	**-**	**-**
Net Deferred tax	**-**	**14.17**	**0.03**	**14.20**

i) Movement for the year ended March 31, 2020

	April 01, 2019 (Standalone)	Recognised in profit or loss	Recognised in OCI	March 31, 2020 (Standalone)
Deferred Tax Liability				
Investments - Fair value	1.03	5.10	-	6.13
	1.03	**5.10**	**-**	**6.13**
Deferred Tax Asset				
Allowance for bad and doubtful debts	0.39	0.12	-	0.51
Provision for Gratuity	0.30	0.52	-	0.82
Provision for leave encashment	0.16	0.49	-	0.65
Provision for deferred revenue	-	0.78	-	0.78
Right of Use Asset, net	-	0.51	-	0.51
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	0.17	0.38	-	0.55
Others	10.64	10.16	-	20.80
Total	**11.66**	**12.96**	**-**	**24.62**
Deferred tax	**(10.63)**	**(7.86)**	**-**	**(18.49)**
Less: Deferred tax not recognised	**(10.63)**	**(7.86)**	**-**	**(18.49)**
Net Deferred tax	-	-	-	-

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

25 Revenue from operations

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Sale of products	6,848.33	9,318.74	4,599.90	1,097.84
Sale of services	379.02	115.91	-	-
Revenue from operations	**7,227.35**	**9,434.65**	**4,599.90**	**1,097.84**
Sale of products (net of Goods and Service Tax)				
Traded goods	6,848.33	9,318.74	4,599.90	1,097.84
	6,848.33	**9,318.74**	**4,599.90**	**1,097.84**
Sale of services				
Content creation and influencer marketing	229.92	101.12	-	-
Hair care	146.75	14.79	-	-
Other services	2.35	-	-	-
	379.02	**115.91**	**-**	**-**

25.1 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.

25.2 Contract balances

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Trade receivables	1,419.00	727.86	338.43	106.06
Contract assets				
Unbilled revenue	26.49	-	-	-
Contract liabilities				
Advance from customers (Refer note 22)	37.81	38.94	15.32	3.03
Deferred revenue (Refer note 22)	40.01	19.93	11.81	3.11

25.3 Timing of revenue recognition

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Revenue recognised at a point in time	6,848.33	9,318.74	4,599.90	1,097.84
Revenue recognised over a period of time	379.02	115.91	-	-
Revenue from contract with customers	**7,227.35**	**9,434.65**	**4,599.90**	**1,097.84**

25.4 Reconciling the amount of revenue recognised in the Restated Summary Statement of Profit and Loss with the contracted price

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Revenue as per contracted price	7,694.78	9,909.50	4,736.70	1,109.69
Adjustments				
Claims and rebates	(447.35)	(466.73)	(128.10)	(8.74)
Provision for customer wallets	(20.08)	(8.12)	(8.70)	(3.11)
Revenue from contract with customers	**7,227.35**	**9,434.65**	**4,599.90**	**1,097.84**

25.5 Performance obligations and remaining performance obligations:

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

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

26 Other income

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Interest income on:				
Investments	36.52	54.41	15.10	-
Deposits with bank	13.67	11.45	4.03	6.93
Unwinding of discount on security deposits	0.92	0.73	0.25	0.13
Foreign exchange fluctuation gain (net)	-	-	1.76	-
Fair value gain on investments measured at FVTPL	1.95	88.84	76.64	21.41
Gain on sale of investments measured at FVTPL	32.42	43.46	22.21	14.89
Others	7.86	9.91	1.12	0.47
	93.34	**208.80**	**121.11**	**43.83**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

27 Purchases of traded goods

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Purchases (traded goods)	2,695.78	3,047.68	1,607.77	490.38
	2,695.78	**3,047.68**	**1,607.77**	**490.38**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

28 Increase in inventories of traded goods

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the period/year	671.38	417.42	136.71	14.10
Inventory acquired during the period/year from:				
- Acquisition (Refer note 44)	10.18	40.67	-	-
	681.56	458.09	136.71	14.10
Inventories at the end of the period/year	1,250.17	671.38	417.42	136.71
	1,250.17	671.38	417.42	136.71
Increase in inventories	**(568.61)**	**(213.29)**	**(280.71)**	**(122.61)**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

29 Employee benefits expenses

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	607.73	560.61	215.69	75.56
Contribution to provident and other funds (Refer note 35)	8.88	10.41	4.88	2.23
Gratuity (Refer note 35)	12.76	14.40	6.46	2.33
Share based payments expenses (equity settled) (Refer note 39)	125.51	167.75	41.54	6.54
Share based payments expenses (cash settled) (Refer note 39)	7.58	20.15	-	-
Staff welfare expenses	15.41	15.14	9.02	2.36
	777.87	**788.46**	**277.59**	**89.02**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

30 Depreciation and amortisation expense

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	9.09	7.56	2.97	3.09
Depreciation of right-of-use-assets	63.45	50.87	14.14	3.36
Amortisation of intangible assets	37.88	10.52	0.01	0.01
	110.42	**68.95**	**17.12**	**6.46**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

31 Finance costs

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest on				
Lease liabilities	25.23	25.75	8.05	0.22
Borrowings from bank	1.05	0.49	-	-
Others	1.27	0.56	1.16	0.22
Bank charges	3.11	3.25	0.54	0.05
	30.66	**30.05**	**9.75**	**0.49**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

32 Other expenses

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Advertisement expense	2,719.90	3,914.74	1,779.38	458.43
Freight and forwarding charges	702.69	919.07	543.53	150.20
Sales Commission	161.33	286.88	134.29	40.05
Software support expenses	109.74	128.22	48.28	13.29
Packaging materials and other consumables	105.70	137.71	83.73	15.11
Legal and professional charges (Refer note (i) below)	104.25	94.57	30.45	14.73
Influencer expense	54.76	25.58	-	-
Contract Labour charges	37.14	62.97	59.41	8.07
Travelling and conveyance	31.07	26.51	9.07	8.04
Provision for slow moving inventory	16.00	8.91	3.95	-
Content creation expense	21.00	17.20	-	-
Activation expenses	18.48	-	-	-
Research and insights expense	18.46	7.69	-	-
Rent (Refer note 6)	14.74	8.28	8.29	4.19
Payment gateway charges	14.09	16.84	11.37	-
Allowance for bad and doubtful debts	13.62	5.34	2.98	0.93
Rates and taxes	9.26	12.03	0.93	1.37
Provision for doubtful advances	8.00	-	-	-
Repairs and maintenance - Other	6.84	6.06	3.56	3.10
Bad Debts	-	3.85	-	-
Power and fuel	2.05	1.83	0.80	0.26
Insurance	2.00	2.77	1.00	0.33
Corporate social responsibility expenses - Refer note (ii) below	1.58	1.44	-	-
Communication costs	1.14	1.89	1.04	0.40
Printing and stationery	1.02	0.36	0.77	0.76
Loss on sale/disposal of PPE	-	0.40	0.12	-
Foreign exchange fluctuation (gains)/loss (net)	(0.05)	3.03	-	0.04
Miscellaneous expenses	8.48	3.04	0.20	0.21
	4,183.29	**5,697.21**	**2,723.15**	**719.51**

Notes:

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

Audit fee paid to statutory auditors of Standalone and Consolidated financial statements	-	3.50	2.20	1.00
Audit fees relating to subsidiary companies	1.10	1.10	-	-
Other services fees relating to subsidiary companies	0.07	0.04	-	-
Reimbursement of expenses	-	0.02	0.01	0.05
Other services (Certification fees and other IPO related services)	20.00	-	-	-
Other adjustments *	(20.00)	-	-	-
	1.17	**4.66**	**2.21**	**1.05**

* Refer note 9 and 15 for share issue expenses.

(ii) Details of CSR Expenditure

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

The Group has incurred Rs 1.58 million in the six months period ended September 30, 2022 (March 31, 2022: Rs 1.44 million; March 31, 2021: Nil; March 31, 2020: Nil) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act, 2013.

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

	Consolidated		Standalone	
Particulars	**Six months period ended September 30, 2022**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
a) Gross amount required to be spent by the Group during the period/year	1.58	1.44	-	-
b) Amount approved by the Board to be spent during the period/year	-	1.44	-	-

c) Amount spent during the period ended September 30, 2022	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	1.58	-	1.58

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

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

f) Amount spent during the year ended March 31, 2020	**In cash**	**Yet to be paid in cash**	**Total**
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	-	-	-

(All amounts in Rs. million, except as otherwise stated)

32 Other expenses (continued)

Details of ongoing project and other than ongoing project for the period ended September 30, 2022 (Consolidated)

In case of Section 135(6) (Ongoing project)					
Opening balance		Amount required to be spent during the period	Amount spent during the period		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 period	Amount spent during the period	Closing Balance
-	-	1.58	1.58	-

Details of ongoing project and other than ongoing project for the year ended March 31, 2022 (Consolidated)

In case of Section 135(6) (Ongoing project)					
Opening balance		Amount required to be spent during the period	Amount spent during the period		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 period	Amount spent during the period	Closing Balance
-	-	1.44	1.44	-

No amount is required to be spent by the Company towards corporate social responsibility under section 135 of the Companies Act, 2013 on account of losses during the year ended March 31, 2021 and March 31, 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

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(All amounts in Rs. million, except as otherwise stated)

33 Earnings/(loss) per share

Basic Earnings/(loss) per share ('EPS') amounts are calculated by dividing the Restated Profit/(loss) for the period/year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period/year.

Diluted EPS amounts are calculated by dividing the Restated Profit/(loss) attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period/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:

	Consolidated		Standalone	
	Six months period ended September 30, 2022*	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Restated Profit/(loss) after tax attributable to equity holders of the Parent (a)	76.94	157.15	(13,322.15)	(4,280.26)
Equity shares of Rs. 10 each	76.94	155.15	(12,954.20)	(4,161.93)
Equity shares of Rs. 100 each	-	1.99	(367.95)	(118.33)
Weighted average number of shares outstanding during the period for basic EPS (b)				
Equity shares of Rs. 10 each	30,65,15,284	29,18,25,532	13,17,09,000	13,15,80,000
Equity shares of Rs. 100 each	-	37,41,000	37,41,000	37,41,000
Weighted average number of shares outstanding during the period for diluted EPS (c)				
Equity shares of Rs. 10 each	31,40,41,698	29,75,40,878	28,18,71,922	28,06,82,718
Equity shares of Rs. 100 each	-	37,41,000	37,41,000	37,41,000
Basic EPS (in Rs.) (a/b)				
Equity shares of Rs. 10 each	0.25	0.53	(98.35)	(31.63)
Equity shares of Rs. 100 each	-	0.53	(98.35)	(31.63)
Diluted EPS (in Rs.) (a/c)				
Equity shares of Rs. 10 each	0.25	0.52	(98.35)	(31.63)
Equity shares of Rs. 100 each	-	0.53	(98.35)	(31.63)
Equity share reconciliation for EPS - Face value Rs. 10				
Equity shares of Rs. 10 each	13,60,67,584	13,19,94,532	13,17,09,000	13,15,80,000
NCCCPS as equity	17,04,47,700	15,98,31,000	-	-
Total considered for basic EPS	**30,65,15,284**	**29,18,25,532**	**13,17,09,000**	**13,15,80,000**
Add: Employee stock options	75,26,414	57,15,346	21,74,122	11,13,918
Add: NCCCPS	-	-	14,79,88,800	14,79,88,800
Total considered for diluted EPS	**31,40,41,698**	**29,75,40,878**	**28,18,71,922**	**28,06,82,718**
Equity share reconciliation for EPS - Face value Rs. 100				
Equity shares of Rs. 100 each	-	37,41,000	37,41,000	37,41,000

* Not annualised

Notes

a) During the period ended September 30, 2022, the Holding Company has issued bonus shares to the shareholders at conversion ratio of 12,899: 1. The weighted average number of shares for the year end March 31, 2022, March 31, 2021 and March 31, 2020 have been adjusted to reflect the impact of bonus issue as per Ind AS 33. Equity shares with face value of Rs.10 and Rs.100 rank paripassu and does not have differential voting rights.

b) Employee stock options and NCCCPS are anti-dilutive in nature during the year end March 31, 2021 and March 31, 2020.

c) During the period ended September 30, 2022, the Holding Company has split Rs.100 face value equity share to Rs.10 each and Rs.90 each on May 11, 2022. The Holding Company has issued bonus shares to the shareholders at same conversion ratio of 12,899: 1, considering they rank pari pasu to the Rs.10 face value equity shares. The Equity shares of Rs.90 each are non-voting shares and the Holding Company has subsequently bought back the same on September 22, 2022.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

34 Related party disclosures

Note 1(b) in Annexure V - Significant accounting policies forming part of Restated Ind AS Summary 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 (w.e.f. December 24, 2021)	Subsidiary
Bhabani Blunt Hairdressing Private Limited (w.e.f. March 16, 2022)	Subsidiary
B:Blunt Spratt Hairdressing Private Limited (w.e.f. March 16, 2022)	Subsidiary of subsidiary
PT Honasa Consumer Indonesia (w.e.f. February 18, 2022)	Subsidiary
Honasa Consumer General Trading L.L.C. (w.e.f. June 23, 2022)	Subsidiary
Fusion Cosmeceutics Private Limited (w.e.f. April 06, 2022)	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 (w.e.f. June 08, 2022)	Independent Director
Rahul Chowdhri (Resigned w.e.f. June 08, 2022)	Director
Subramaniam Somasundaram (w.e.f. February 11, 2022)	Independent Director
Vettakkorumakankav Siva Subramaniam Sitaram (Resigned w.e.f. October 20, 2022)	Director
Relatives of KMP	Mukesh Alagh
Other KMP	
Raman Preet Sohi (w.e.f. July 26, 2022)	Chief Financial Officer
Dhanraj Dagar (w.e.f. May 11, 2022)	Company Secretary

Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the 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 September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020. This assessment is undertaken 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:

	Consolidated		**Standalone**	
Nature of transactions	**Six months period ended September 30, 2022**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Sale of products (net)				
Varun Alagh*	-	-	0.00	0.00
Ghazal Alagh**	-	-	0.01	0.00
Mukesh Alagh***	-	-	-	0.00
	-	**-**	**0.01**	**0.00**
Reimbursement of expenses				
Varun Alagh	0.15	0.06	0.15	1.74
Ghazal Alagh	-	-	0.13	0.13
Mukesh Alagh	-	-	-	0.03
	0.15	**0.06**	**0.28**	**1.90**
Rent				
Mukesh Alagh	-	-	-	0.99
	-	**-**	**-**	**0.99**
Remuneration paid******				
Varun Alagh	7.50	11.31	6.39	4.01
Ghazal Alagh	5.00	7.43	3.94	2.59
Ramanpreet Sohi	5.18	-	-	-
Dhanraj Dagar	1.02	-	-	-
	18.70	**18.74**	**10.33**	**6.60**
Sitting fees				
Vivek Gambhir	0.30	-	-	-
Namita Gupta	0.20	-	-	-
Subramaniam Somasundaram	0.30	-	-	-
	0.80	**-**	**-**	**-**
Share based payments expenses				
Raman Preet Sohi	0.61	-	-	-
Dhanraj Dagar	0.27	-	-	-
	0.88	**-**	**-**	**-**

*Represents Rs 999 and Rs 1,745 for year ended March 31, 2021 and March 31, 2020 respectively.
**Represents Rs 5,115 and Rs 2,196 for year ended March 31, 2021 and March 31, 2020 respectively.
***Represents Rs 1,716 for year ended March 31, 2020.
****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.

(All amounts in Rs. million, except as otherwise stated)

34 Related party disclosures (continued)

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

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Expense payable				
Varun Alagh	0.01	-	0.04	0.04
Ghazal Alagh	-	-	-	0.02
	0.01	**-**	**0.04**	**0.06**
Trade receivables				
Ghazal Alagh	0.01	-	0.02	-
	0.01	**-**	**0.02**	**-**
Employee Benefits Payable				
Varun Alagh	-	-	0.54	0.35
Ghazal Alagh	-	-	0.40	0.16
	-	**-**	**0.94**	**0.51**
No. of Employee Stock Options Outstanding				
Ramanpreet Sohi	4,38,600.00	-	-	-
Dhanraj Dagar	4,955.00	-	-	-
	4,43,555.00	**-**	**-**	**-**

The following are the details of the transactions eliminated during the period/year ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020:

		Consolidated		Standalone	
Related party name	**Nature of transactions**	**Six months period ended September 30, 2022**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
(i) Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)					
Just4Kids Services Private Limited	Advertisement expense	19.91	-	-	-
(ii) Just4Kids Services Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Advertisement income	19.91	-	-	-
B:blunt Spratt Hair dressing Private Limited	Advertisement income	0.12	-	-	-
(iii) Bblunt Spratt Hair dressing Private Limited					
Just4Kids Services Private Limited	Advertisement expense	0.12	-	-	-

The following are the details of the balances eliminated during the period/year ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020:

		Consolidated		Standalone	
Related party name	**Nature of transactions**	**Six months period ended September 30, 2022**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
(i) Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)					
Just4Kids Services Private Limited	Receivable towards share based payment cross charge	27.36	10.58	-	-
Bhabani Blunt Hairdressing Private Limited	Receivable towards share based payment cross charge	3.54	0.72	-	-
Just4Kids Services Private Limited	Trade payables	15.18	-	-	-
(ii) Just4Kids Services Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Payable towards share based payment cross charge	27.36	10.58	-	-
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Unbilled Revenue	15.18	-	-	-
Fusion Cosmeceutics Private Limited	Unbilled Revenue	0.12	-	-	-
(iii) Fusion Cosmeceutics Private Limited					
Just4Kids Services Private Limited	Trade payables	0.12	-	-	-
(iv) Bhabani Blunt Hairdressing Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Payable towards share based payment cross charge	3.54	0.72	-	-

(All amounts in Rs. million, except as otherwise stated)

34 Related party disclosures (continued)

The following are the details of the balances eliminated during the period/year ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020:

		Consolidated		Standalone	
Related party name	**Nature of transactions**	**Six months period ended September 30, 2022**	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
(i) Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)					
Fusion Cosmeceutics Private Limited	Investment in shares	100.00	-	-	-
Just4Kids Services Private Limited	Investment in shares	500.00	250.00	-	-
Bhabani Blunt Hairdressing Private Limited	Investment in shares	90.00	90.00	-	-
(ii) Just4Kids Services Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Investment in shares	500.00	250.00	-	-
(iii) Bhabani Blunt Hairdressing Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Investment in shares	90.00	90.00	-	-
(iv) Fusion Cosmeceutics Private Limited					
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	Investment in shares	100.00	-	-	-

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

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(All amounts in Rs. million, except as otherwise stated)

35 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 six months period ended September 30, 2022, the Group recognised Rs. 8.88 million (year ended March 31, 2022 Rs. 10.41 million, year ended March 31, 2021 Rs. 4.88 million and year ended March 31, 2020 Rs. 2.23 million) towards such contribution in the Restated Ind AS Summary Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days basic salary (last drawn salary) for each completed year of service. The plan is unfunded benefit plan for qualifying employee.

Gratuity is a defined benefit plan and company 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.

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current	1.56	1.68	0.04	-
Non-current	45.66	35.54	9.55	3.24
	47.23	**37.22**	**9.59**	**3.24**

The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:
Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2020:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2019 (Standalone)	**0.70**	**-**	**0.70**
Amount recognised in Restated Ind AS Summary Statement of Profit and Loss			
Current Service cost	2.28	-	2.28
Interest cost on benefit obligation	0.05	-	0.05
Total amount recognised in Restated Ind AS Summary Statement of Profit and Loss	**2.33**	**-**	**2.33**
Benefits paid	-	-	-
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	0.30	-	0.30
Experience adjustments	(0.09)	-	(0.09)
Total amount recognised in other comprehensive income	**0.21**	**-**	**0.21**
Contributions by employer	-	-	-
As at March 31, 2020 (Standalone)	**3.24**	**-**	**3.24**

(All amounts in Rs. million, except as otherwise stated)

35 Employee benefits plan (continued)

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

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

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

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2021 (Standalone)	**9.59**	**-**	**9.59**
Acquisition related obligation(Refer note 44)	14.60	-	14.60
Amount recognised in Restated Ind AS Summary Statement of Profit and Loss			
Current service cost	13.65	-	13.65
Interest cost on benefit obligation	0.75	-	0.75
Total amount recognised in Restated Ind AS Summary Statement of Profit and Loss	**14.40**	**-**	**14.40**
Benefits paid	-	-	**-**
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(1.51)	-	(1.51)
Experience adjustments	0.14	-	0.14
Total amount recognised in other comprehensive income	**(1.37)**	**-**	**(1.37)**
Contributions by employer	-	-	-
As at March 31, 2022 (Consolidated)	**37.22**	**-**	**37.22**

Changes in the defined benefit obligation and fair value of plan assets for the period ended September 30, 2022:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01 2022 (Consolidated)	**37.22**	**-**	**37.22**
Acquisition (Refer note 44)	0.49	-	0.49
Amount recognised in Restated Ind AS Summary Statement of Profit and Loss			
Current service cost	11.54	-	11.54
Interest cost on benefit obligation	1.22	-	1.22
Total amount recognised in Restated Ind AS Summary Statement of Profit and Loss	**12.76**	**-**	**12.76**
Benefits paid	(1.24)	-	(1.24)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(2.63)	-	(2.63)
Experience adjustments	0.62	-	0.62
Total amount recognised in other comprehensive income	**(2.01)**	**-**	**(2.01)**
Contributions by employer	-	-	-
As at September 30, 2022 (Consolidated)	**47.22**	**-**	**47.22**

(All amounts in Rs. million, except as otherwise stated)

35 Employee benefits plan (continued)

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below:

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Discount rate	5.66% - 7.22%	5.66% - 7.22%	6.76%	6.76%
Future salary increases	7% - 10%	7% - 10%	10%	10%
Normal retirement age	58-60 years	58-60 years	60 years	60 years
Attrition / withdrawal (per annum)	1% - 10%	1% - 10%	10%	5%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

		Consolidated				Standalone			
	Sensitivity Level	**As at September 30, 2022**		**As at March 31, 2022**		**As at March 31, 2021**		**As at March 31, 2020**	
		Defined benefit obligation on increase/decrease in assumptions							
		Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate	0.5% increase / decrease	(3.46)	3.94	(6.25)	7.73	(0.90)	1.01	(0.31)	0.35
Future salary increase	0.5% increase / decrease	3.26	(5.98)	7.30	(5.94)	0.84	(0.78)	0.28	(0.25)
Attrition rate*	0.5% increase / decrease	(0.74)	0.78	(1.32)	1.37	(0.26)	0.28	-	-

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

* Sensitivities due to attrition are not material as at March 31, 2020 and hence impact of change due to these not disclosed.

The following payments are expected cash flows to the defined benefit plan in future years:
The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 to 16.92 years (March 31, 2022: 4 years to 16.92 years; March 31, 2021: 17.03 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Within the next 12 months	1.60	1.68	0.04	-
Between 2 and 5 years	7.45	8.37	0.69	0.23
Beyond 5 years	158.26	27.17	9.54	3.01

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

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(All amounts in Rs. million, except as otherwise stated)

36 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' 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 restated profit/(loss) as per the Restated Ind AS Summary Statement of Profit and Loss represents the revenue, total expenses and net restated profit/(loss) of the sole reportable segment.

(b) Geographical Information

The operations of the Group are primarily in India and accordingly, geographical information is presented for India and rest of the world. 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:

	Consolidated		Standalone	
	Six months period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
(i) The amount of revenue from external customers broken down by location of customers is shown below:				
India	7,046.06	9,155.35	4,517.63	1,089.22
Outside India	181.29	279.30	82.27	8.62
	7,227.35	**9,434.65**	**4,599.90**	**1,097.84**

(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 have not commenced operations.

37 Commitments

a) The Holding Company has entered into a celebrity endorsement agreement ('Agreement') dated April 04, 2018 with Shilpa Shetty Kundra ('Celebrity') and an addendum to the Agreement dated May 30, 2020. As per the first addendum, the Holding Company is obliged to issue a warrant certificate of Rs 10 million to the celebrity against the services to be provided by the celebrity. The celebrity at her sole discretion shall be entitled to exercise the warrant on expiry of the term of the agreement or on earlier termination of the agreement. The warrant subscription price is based on the price equivalent to the fair value of the equity share of the Holding Company as on the date of exercise of the warrant. Basis further negotiation, the Celebrity and the Holding Company have agreed to issue additional share warrants certificate of Rs 20.47 million with respect to agreement dated May 30, 2020 with similar terms as per the earlier warrant certificate.
The Holding Company has also entered into a second addendum in the financial year ended March 31, 2022. As per the addendum, the Holding Company is obliged to issue the shares worth Rs 30 million against the services to be provided by the celebrity. The share subscription price is based on the price equivalent to the fair value of the Company as on the date of exercise.
The Holding Company has settled the said commitment during the period ended September 30, 2022 by issuing the equity shares (Refer note 16) and there are no outstanding share warrants as at September 30, 2022.

b) Refer note 17 and 19 for NCCCPS related commitements

c) Refer note 20 for Non-controlling interest commitment

d) Refer note 6 for lease commitments

38 Contingent liabilities	Consolidated		Standalone	
	As at September 30, 2022	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Claims against the Group not acknowledged as debts*	-	-	-	-
Bank guarantee**	149.22	279.40	14.27	-
Disputed statutory demands pending before the Appellate Authorities *#	8.83	9.05	-	-

* 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 Restated Ind AS Summary Statements.

**Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to Rs 46.02 million as at September 30, 2022 (March 31, 2022: 31.20 million; March 31, 2021: Rs 14.27 million; March 31, 2020: Nil), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to Rs 103.20 million as at September 30, 2022 (March 31, 2022: Rs 33.40 million; March 31, 2021: Nil; March 31, 2020: Nil), performance guarantees issued in favour of TLG India Pvt. Ltd. Nil as at September 30, 2022 (March 31, 2022: Rs 214.80 million; March 31, 2021: Nil; March 31, 2020: Nil).

*# Represnts demands raised by Income tax and service tax authorities pending before appellate authorities

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

39 Share based payments

[A] Employee Share Option Plan (ESOP) of the Holding Company

On August 02, 2018, the Board of Directors approved the equity settled "Honasa Consumer Private Limited Employees Stock Option Plan 2018" for issue of stock options to various employees of the holding company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the 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 Rs. 10 each (as amended vide board meeting held on August 02, 2018).
Ownership	Legal and Benefical 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 Rs 25,788, Rs 54,512 and Rs 263,566 per option. During the period ended September 30, 2022, the Company has issued bonus shares [Refer note 16(b)(ii)], pursuant to bonus issue, exercise price has been reduced to Rs. 2, Rs. 4.23 and Rs. 20.43 respectively. Exercise price for the grant made during the period ended September 30, 2022 is Rs. 180.69.
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 period

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

Particulars	Consolidated				Standalone			
	Period ended September 30, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	No. of options *	WAEP *	No. of options	WAEP	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the period/year	7,533,600	15.74	429	176,661.96	279	116,143.23	167	51,264.00
Granted during the period/year	907,792	180.69	193	263,565.86	168	263,565.86	140	1,81,232.00
Forfeited during the period/year	(424,893)	20.43	(7)	263,565.86	-	-	(21)	54,512.00
Exercised during the period/year	(29,025)	20.43	(31)	201,946.23	(18)	49,724.80	(7)	54,512.00
Outstanding at the end of the period/year	7,987,474	34.22	584	202,985.66	429	176,661.96	279	1,16,143.23
Exercisable at the end of the period/year	3,730,519	12.42	204	142,427.36	102	103,271.93	42	49,383.00
Weighted average remaining contractual life	4.88 years		5.17 years		5.62 years		5.16 years	

The weighted average fair value of the options granted during period/year ended September 30, 2022 is Rs 74.60 (March 31, 2022: Rs 0.76 million, March 31, 2021 - Rs 0.28 million, March 31, 2020 - Rs 0.15 million).

* Change in opening number of options and WAEP on account of bonus issue [Refer note 16(b)(ii)].

Share appreciation rights ('SAR') [equity settled effective May 31, 2022 and cash settled upto May 30, 2022]

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

Stock appreciation rights were considered as cash settled till May 30, 2022. With effect from May 31, 2022, the Group has removed the cash settlement option and these SARs would be settled through issuance of equity shares, pursuant to this modification the plan is treated as equity settled and hence on the date of modification the differential between fair value as on previous reporting date and as on the date of modification in scheme has been charged to Restated Ind AS Summary statement of profit and loss. The fair value of Rs 27.74 million as on the date of modification has been transferred to employee stock option outstanding reserve.

The carrying amount of the liability relating to the SARs as at September 30, 2022 is Nil (March 31, 2022: Rs 20.15 million; March 31, 2021: Nil; March 31, 2020: Nil). The number of SARs vested as at September 30, 2022 was 174,356 (March 31, 2022: Nil; March 31, 2021: Nil; March 31, 2020: Nil).

Movements during the period

The following are the number and weighted average exercise prices (WAEP) of, and movements in, equity settled SAR during the six months period ended September 30, 2022:

Particulars	Consolidated	
	Six months period ended September 30, 2022	
	No. of options	WAEP
Outstanding at the beginning of the period	-	-
Granted during the period	5,97,915	10.00
Forfeited during the period	(49,278)	-
Exercised during the period	-	-
Outstanding at the end of the period	5,48,637	10.00
Exercisable at the end of the period	174,356	10.00
Weighted Average Remaining Contractual Life	0.65 years	

(All amounts in Rs. million, except as otherwise stated)

39 Share based payments (continued)

The fair value of the stock options and equity settled SAR are estimated using Black Scholes valuation model and Monte Carlo simulation model respectively considering the following inputs:

	Consolidated				Standalone			
Particulars	Six months period ended September 30, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	ESOP	SAR	ESOP	SAR	ESOP	SAR	ESOP	SAR
Weighted average fair values at the measurement date in Rs.	74.6	74.6	754,000	1,420,000	276,000	-	153,274	-
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%	0.00%	-	0.00%	-
Expected volatility (%)	45.00%	45.00%	45.00%	45.00%	45.00%	-	45.00%	-
Risk-free interest rate (%)	6.72% - 7.38%	6.72% - 7.38%	6.21% - 6.72%	4.37% - 4.98%	6.23% - 5.69%	-	7.44%- 6.54%	-
Expected life of the options/SARs granted (in years)	7.00	1.15	7.00	1.15	7.00	-	7.00	-
Weighted average share price	291.86	291.86	1,924,762	2,130,000	241,595	-	186,314	-

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

[B] The promotors of Just4Kids Services Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Options	Vesting period
- Three equity shares to each Promoters of Just4Kids Services Private Limited*	1,16,100	2 years
- Equity shares equity shares worth Rs 10.83 million to each Promoters of Just4Kids Services Private Limited**	38,700	4 years

* Pre bonus entitled for 9 equity shares of Rs.10 each, adjusted for bonus issue.
** Pre bonus entitled for 3 equity shares of Rs.10 each, adjusted for bonus issue.

Movements during the period/year
The following are the movements in share options during the period/year:

	Consolidated	
Particulars	Six months period ended September 30, 2022	Year ended March 31, 2022
	No. of shares*	No. of shares
Outstanding at the beginning of the period/year	1,54,800	-
Granted during the period/year	-	12
Forfeited during the period/year	-	-
Exercised during the period/year	-	-
Outstanding at the end of the period/year	1,54,800	12
Exercisable at the end of the period/year	-	-
Weighted Average Remaining Contractual Life	2.5 years	3 years

* During the period ended September 30, 2022, the Holding Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shares of Rs 10 each on May 11, 2022, consequently there has been a corresponding increase in the number of shares entitlement.

[C] The CEO of Bhabani Blunt Private Limited is entitled to stock options 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 period/year
The following are the movements in share options during the period/year:

	Consolidated			
Particulars	September 30, 2022		March 31, 2022	
	No. of Shares*	WAEP *	No. of Shares	WAEP
Outstanding at the beginning of the period/year	64,500	20.39	-	-
Granted during the period/year	-	-	5	2,63,000
Forfeited during the period/year	-	-	-	-
Exercised during the period/year	-	-	-	-
Outstanding at the end of the period/year	64,500	20.39	5	2,63,000
Exercisable at the end of the period/year	-	-	-	-
Weighted Average Remaining Contractual Life	2.5 years		3 years	

* During the period ended September 30, 2022, the Holding Company has issued bonus shares in accordance with Section 63 of the Companies Act, 2013 in the ratio of 12,899:1 to all equity shares of Rs 10 each on May 11, 2022, consequently there has been a corresponding change in the number of shares entitlement and the WAEP.

(All amounts in Rs. million, except as otherwise stated)

39 Share based payments (continued)

The expense recognised for employee services received by the Holding company during the period is shown in the following table:

	Consolidated		Standalone	
	Period ended September 30, 2022	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Year ended March 31, 2020**
Expense arising from equity-settled share-based payment transactions	117.93	167.75	41.54	6.54
Expense arising from cash-settled share-based payment transactions	7.58	20.15	-	-
Total expense arising from share-based payment transactions	**125.51**	**187.90**	**41.54**	**6.54**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

40 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% in the first year, 33% in the second year and 33% in the third year, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of Rs.10 per option.

Scheme 2

Class of Share	Equity Share
Vesting terms	Four-year vesting term and vest at the rate of 10% in the first year, 30% in the second year, 30% in the third year and 30% in the fourth year subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of Rs. 10 per option.

Movement during the period/year

The following are the number, weighted average exercise prices (WAEP) and movements in Share option post acquisition:

	Consolidated							
	September 30, 2022				March 31, 2022			
Particulars	**Scheme I**		**Scheme II**		**Scheme I**		**Scheme II**	
	No. of options	**WAEP (Rs.)**	**No. of options**	**WAEP (Rs.)**	**No. of options**	**WAEP (Rs.)**	**No. of options**	**WAEP (Rs.)**
Outstanding at the date of acquisition/beginning of the period/year	335	10.00	301	2,787.00	335	10	301	2,787
Granted during the period/year	-	Not Applicable	-	Not Applicable	-	Not Applicable	-	Not Applicable
Forfeited during the period/year	-	-	-	-	-	-	-	-
Exercised during the period/year	-	Not Applicable	-	Not Applicable	-	Not Applicable	-	Not Applicable
Outstanding at the end of the period/year	335	10.00	301	2,787.00	335	10	301	2,787
Exercisable at the end of the period/year	335	10.00	301	2,787.00	335	10	301	2,787
Weighted average remaining contractual life	0.002 Years		0.002 Years		0.002 Years		0.002 Years	

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

	Consolidated	
	September 30, 2022 *	**March 31, 2022**
Expected dividend yield	-	0.00%
Expected Annual Volatility of Shares	-	0.01%
Risk-free interest rate (%)	-	5.85%
Exercise price (Rs.) - Scheme I	-	10.00
Exercise price (Rs.) - Scheme II	-	16,926.46
Expected life of the options granted (in years) - Scheme I	-	5-10 Years
Expected life of the options granted (in years) - Scheme II	-	5-11 Years

* There are no new grants during the six months period ended September 30, 2022.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

41 Financial instruments- accounting classification and fair value measurement

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

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Measured at fair value through profit or loss (FVTPL)				
Investment in mutual funds - Level I	2,303.43	3,064.52	1,644.26	1,058.90
Total financial assets measured at FVTPL	**2,303.43**	**3,064.52**	**1,644.26**	**1,058.90**
Measured at amortised cost				
Investment in bonds and commercial paper	111.92	320.57	-	184.38
Trade receivables	1,419.00	727.86	338.43	106.06
Cash and cash equivalents	94.70	337.45	97.59	19.16
Bank balances other than cash and cash equivalents	869.50	539.40	109.95	244.99
Other financial assets	1,041.49	892.48	65.09	10.96
Total financial assets measured at amortised cost	**3,536.61**	**2,817.76**	**611.06**	**565.55**
Total financial assets	**5,840.04**	**5,882.28**	**2,255.32**	**1,624.45**

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

	Fair Value			
	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Measured at fair value through profit or loss (FVTPL)				
Borrowings(NCCCPS) - Level 3	-	-	19,539.99	5,927.56
Other financial liabilities	620.99	609.94	-	-
Total financial liabilities measured at FVTPL	**620.99**	**609.94**	**19,539.99**	**5,927.56**
Measured at amortised cost				
Lease liabilities	780.65	560.43	203.31	3.82
Borrowings	72.54	35.86	-	-
Trade payables	2,276.15	1,703.52	803.42	219.01
Other financial liabilities	85.93	118.40	45.13	10.72
Total financial liabilities measured at amortised cost	**3,215.27**	**2,418.21**	**1,051.85**	**233.55**
Total financial liabilities	**3,836.26**	**3,028.15**	**20,591.84**	**6,161.11**

iii) Fair value hierarchy

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

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total
	September 30, 2022 (Consolidated)			
Financial assets and liabilities measured at fair values				
Investment in mutual funds	2,303.43	-	-	2,303.43
Total financial asset measured at fair value	**2,303.43**	**-**	**-**	**2,303.43**
Non-controlling interests liability	-	-	620.99	620.99
Total financial liabilities measured at fair value	**-**	**-**	**620.99**	**620.99**
	March 31, 2022 (Consolidated)			
Financial assets and liabilities measured at fair values				
Investment in mutual funds	3,064.52	-	-	3,064.52
Total financial asset measured at fair value	**3,064.52**	**-**	**-**	**3,064.52**
Non-controlling interests liability	-	-	589.79	589.79
Stock Appreciation Rights	-	-	20.15	20.15
Total financial liabilities measured at fair value	**-**	**-**	**609.94**	**609.94**

(All amounts in Rs. million, except as otherwise stated)

41 Financial instruments- accounting classification and fair value measurement (continued)

	March 31, 2021 (Standalone)			
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,644.26	-	-	1,644.26
Total financial asset measured at fair value	**1,644.26**	**-**	**-**	**1,644.26**
Borrowings - NCCCPS	-	-	19,539.99	19,539.99
Total financial liability measured at fair value	**-**	**-**	**19,539.99**	**19,539.99**

	March 31, 2020 (Standalone)			
Financial assets and liabilities measured at fair values				
Investment in mutual funds	1,058.90	-	-	1,058.90
Total financial asset measured at fair value	**1,058.90**	**-**	**-**	**1,058.90**
Borrowings - NCCCPS	-	-	5,927.56	5,927.56
Total financial liability measured at fair value	**-**	**-**	**5,927.56**	**5,927.56**

Notes:

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

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

The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets(current), other financial liability (current), lease liabilities (current) and 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 amortized cost. There is no significant change in fair value of such liabilities and assets. There have been no transfers between levels during the period/years.

Valuation techniques and significant unobservable inputs - Level 3

September 30, 2022 (Consolidated)

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Non-controlling interests liability	Estimated revenue multiple	Estimated revenue	Increase/(decrease) in revenue by 5% would result in increase/(decrease) in NCI liability by Rs 34.30 million/(Rs 34.30 million).

March 31, 2022 (Consolidated)

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Non-controlling interests liability	Estimated revenue multiple	Estimated revenue	Increase/(decrease) in revenue by 5% would result in increase/(decrease) in NCI liability by Rs 28.72 million/(Rs 28.72 million).

March 31, 2021 (Standalone)

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 16.4%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 1,615 million/(Rs 1,354 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by Rs (966 million)/Rs 1,058 million.

March 31, 2020 (Standalone)

Type	Valuation technique	Significant unobservable inputs	Sensitivity analysis
Borrowings - NCCCPS	Discounted cash flow method	Growth rate - 5% Cost of equity - 15%	Year on year Growth rate - increase/(decrease) in growth rate by 1% would result in increase/(decrease) in NCCCPS liability by Rs 545 million/(Rs 446 million). Cost of equity - increase/(decrease) in Cost of equity by 0.5% would result in (decrease)/increase in NCCCPS liability by Rs. (308 million)/Rs. 342 million.

(All amounts in Rs. million, except as otherwise stated)

41 Financial instruments- accounting classification and fair value measurement (continued)

External valuers are involved for valuation of Level 3 valuation as described above. The Group management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

	Stock Appreciation Rights	Borrowings - NCCCPS	Non-controlling interests liability
As at April 01, 2019 (Standalone)	-	398.61	-
Charge to Restated Ind AS Summary Statement of Profit and Loss	-	4,238.68	-
Additions (Refer note - 19)		1,290.27	
As at March 31, 2020 (Standalone)	**-**	**5,927.56**	**-**
Charge to Restated Ind AS Summary Statement of Profit and Loss	-	13,612.43	-
As at March 31, 2021 (Standalone)	**-**	**19,539.99**	**-**
Charge to Restated Ind AS Summary Statement of Profit and Loss	20.15	-	-
Additions (Refer note - 19)	-	-	579.00
Reclassification to equity (refer note 19)	-	(19,539.99)	10.79
As at March 31, 2022 (Consolidated)	**20.15**	**-**	**589.79**
Charge to Restated Ind AS Summary Statement of Profit and Loss	7.59	-	
Accounted in equity (Refer note 40)	(27.74)	-	35.83
Paid during the year	-	-	(4.63)
As at September 30, 2022 (Consolidated)	**-**	**-**	**620.99**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

42 Financial risk management

Objective and policies

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

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

a) Market risk

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

i. Interest rate risk

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

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 period/year and there is no derivative instrument outstanding as at the period/year end.

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(All amounts in Rs. million, except as otherwise stated)

42 Financial risk management (continued)

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

	Consolidated				Standalone			
	As at September 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
Particulars	**FC**	**Rs.**	**FC**	**Rs**	**FC**	**Rs**	**FC**	**Rs**
AED								
Liability								
Trade payables	(0.16)	(3.41)	(0.01)	(0.47)	(1.21)	(24.14)	-	-
Assets								
Trade receivables	-	-	0.80	20.50	1.12	22.43	-	-
Advance to suppliers	-	-	-	-	0.04	0.80	-	-
Cash in hand	-	-	-	-	0.01	0.01	-	-
Net exposure on foreign currency risk	**(0.16)**	**(3.41)**	**0.79**	**20.03**	**(0.04)**	**(0.90)**	**-**	**-**
EUR								
Liability								
Trade payables	(0.21)	(16.62)	-	-	-	-	-	-
Net exposure on foreign currency risk	**(0.21)**	**(16.62)**	**-**	**-**	**-**	**-**	**-**	**-**
QAR								
Assets								
Trade receivables	0.84	18.42	-	-	-	-	-	-
Net exposure on foreign currency risk	**0.84**	**18.42**	**-**	**-**	**-**	**-**	**-**	**-**
GBP								
Liability								
Advance from customers	-	-	-	-	(0.03)	(0.27)	-	-
Assets								
Trade receivables	0.01	0.49	-	-	-	-	-	-
Net exposure on foreign currency risk	**0.01**	**0.49**	**-**	**-**	**(0.03)**	**(0.27)**	**-**	**-**
USD								
Liability								
Trade Payables	(0.06)	(4.65)	-	-	(0.01)	(0.05)	-	-
Assets								
Trade receivables	0.29	22.60	0.26	19.42	0.22	16.12	0.03	0.23
Net exposure on foreign currency risk	**0.23**	**17.95**	**0.26**	**19.42**	**0.21**	**16.07**	**0.03**	**0.23**

Sensitivity:	Impact on Restated Profit/(Loss) before tax			
	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
AED				
Increases by 5%	(0.17)	1.00	(0.04)	-
Decreases by 5%	0.17	(1.00)	0.04	-
EUR				
Increases by 5%	(0.83)	-	-	-
Decreases by 5%	0.83	-	-	-
QAR				
Increases by 5%	0.92	-	-	-
Decreases by 5%	(0.92)	-	-	-
GBP				
Increases by 5%	0.02	-	(0.01)	-
Decreases by 5%	(0.02)	-	0.01	-
USD				
Increases by 5%	0.90	0.97	0.80	0.01
Decreases by 5%	(0.90)	(0.97)	(0.80)	(0.01)

iii. Price risk

The Group invests surplus funds in liquid mutual funds. The Group is exposed to market price risk arising from uncertainties about future values of the investment. The Group manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis.

b) Credit risk

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

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

Accordingly the Group considers the credit risk low.

(All amounts in Rs. million, except as otherwise stated)

42 Financial risk management (continued)

The maximum credit risks is represented by the total carrying amount of these financial assets in the Restated Ind AS Summary Statement of Assets and Liabilities.

	Consolidated		Standalone	
	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade receivables (refer note (i) below)	1,419.00	727.86	338.43	106.06
Cash and cash equivalents	94.70	337.45	97.59	19.16
Bank balances other than cash and cash equivalents	869.50	539.40	109.95	244.99
Other financial assets (refer note (ii) below)	1,041.49	892.48	65.09	10.96

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

The following table summarises the change in the loss allowance:

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	16.34	5.02	2.04	1.11
Allowance made during the period/year (net)	13.62	5.34	2.98	0.93
Arising on acquisition (Refer note - 44)	0.91	5.98	-	-
Closing balance	**30.87**	**16.34**	**5.02**	**2.04**

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

3. 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 September 30, 2022 (Consolidated)					
Borrowings	72.54	-	-	-	72.54
Lease liabilities	-	168.57	549.00	258.18	975.75
Trade payables	-	2,276.15	-	-	2,276.15
Other financial liabilities	-	244.55	462.37	-	706.92
	72.54	**2,689.27**	**1,011.37**	**258.18**	**4,031.36**
As at March 31, 2022 (Consolidated)					
Borrowings	35.86	-	-	-	35.86
Lease liabilities	-	98.81	393.18	238.40	730.39
Trade payables	-	1,703.52	-	-	1,703.52
Other financial liabilities	-	129.53	598.81	-	728.34
	35.86	**1,931.86**	**991.99**	**238.40**	**3,198.11**
As at March 31, 2021 (Standalone)					
Borrowings *	-	-	19,539.99	-	19,539.99
Lease liabilities	-	31.38	142.38	153.31	327.07
Trade payables	-	803.42	-	-	803.42
Other financial liabilities	-	45.13	-	-	45.13
	-	**879.93**	**19,682.37**	**153.31**	**20,715.61**
As at March 31, 2020 (Standalone)					
Borrowings *	-	-	5,927.56	-	5,927.56
Lease liabilities	-	3.83	0.10	-	3.93
Trade payables	-	219.01	-	-	219.01
Other financial liabilities	-	10.72	-	-	10.72
	-	**233.56**	**5,927.66**	**-**	**6,161.22**

* Represents NCCCPS.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, Non-Cumulative Compulsorily Convertible Preference Shares, securities premium, all other equity reserves attributable to the shareholders of the Group and borrowings. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value.

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, interest bearing borrowings, trade and other payables, other financials liabilities, lease liabilities less cash and cash equivalents, bank balances other than cash and cash equivalents, fixed deposits and current investments.

	Consolidated		Standalone	
Particulars	**As at September 30, 2022**	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Borrowings*	72.54	35.86	-	-
Trade Payables	2,276.15	1,703.52	803.43	219.01
Other financial liability	706.92	728.34	45.13	10.72
Lease liability	780.64	560.43	203.31	3.82
Less : Cash and cash equivalents	(94.70)	(337.45)	(97.59)	(19.16)
Less : Bank balances other than cash and cash equivalents	(869.50)	(539.40)	(109.95)	(244.99)
Less: Fixed deposit with maturity of more than 12 months	(880.60)	(821.84)	(53.27)	-
Less: Current investments	(2,415.35)	(3,385.09)	(1,644.26)	(1,243.28)
Net adjusted debt (A)	**(423.90)**	**(2,055.62)**	**(853.21)**	**(1,273.88)**
Equity**	7,386.72	7,056.24	1,888.56	1,555.87
Total equity (B)	**7,386.72**	**7,056.24**	**1,888.56**	**1,555.87**
Total debt and equity (C)=(A)+(B)	**6,962.82**	**5,000.62**	**1,035.35**	**281.99**
Gearing ratio (A)/(C) * **	**-**	**-**	**-**	**-**

* Excludes non-current borrowings on NCCCPS which are classified as liability from equity. Refer note 19.

** Includes NCCCPS amounting to Rs. 19,539.99 million and Rs. 5,927.56 million as on March 31, 2021 and March 31, 2020 respectively.

*** Disclosed as nil for six month period ended September 30, 2022 and year ended and March 31, 2022, March 31, 2021 and March 31, 2020 since the same is negative as the Group is funded majorly through own funds and equity investments

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets terms and conditions attached to the interest-bearing loans and borrowings that define capital structure requirements.
No changes were made in the objectives, policies or processes for managing capital during the period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

44 Business combinations and Business Acquisition

Acquisitions during the six months period ended September 30, 2022

[A] Acquisition of Subsidiary - Fusion Cosmeceutics Private Limited
On April 06, 2022, the Group acquired 65.49% of the voting shares of Fusion Cosmeceutics Private Limited ('Fusion'), a company based in India, with the strategic objective of acquiring the brand Dr.Sheth's. The Group acquired this business to gain the synergies and the customers base of Fusion, and hence the management concluded this transaction to be a business combination as per Ind AS 103.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

	Purchase price allocated
Property, plant and equipment	0.15
Other Intangible assets	168.49
Cash and cash equivalents	2.06
Trade receivables	4.42
Inventories	8.70
Other assets	7.23
Total assets (a)	**191.05**
Trade payables	16.77
Borrowings	52.36
Provisions	2.94
Other liabilities	6.11
Total liabilities (b)	**78.18**
Net assets acquired (a-b)	**112.87**

(ii) Goodwill arising on acquisition:

Particulars	**Amount**
Purchase consideration	141.23
Non-controlling Interest	127.12
Less: Carrying amount of net assets acquired	(112.87)
Goodwill arising on acquisition	**155.48**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is Rs. 141.23 million. The details are as follows:

Nature of consideration and terms of payment	**Amount**
Cash consideration	141.23
	141.23

(iv) From the date of acquisition, Fusion contributed Rs. 56.54 million of revenue from operations and loss of Rs. 29.63 million to restated profit/loss of the Group.
The impact on the Group's revenue from operations and the restated profit before tax is not considered material if the combination had taken place at the beginning of six months period ended September 30, 2022 considering the acquisition date of April 06, 2022.

The goodwill of Rs.155.48 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the skin care CGU. None of the goodwill and intangible assets recognized on business combination are deductible for income tax purposes.

[B] Incorporation of Subsidiary - Honasa Consumer General Trading L.L.C.
On June 23, 2022, the Group incorporated Honasa Consumer General Trading L.L.C., a company based in UAE. There are no material transactions incurred during the six months period ended September 30, 2022.

44 Business combinations and Business Acquisition (continued)

Acquisitions during the year ended March 31, 2022

[C] Acquisition of Subsidiary - Just4Kids Services Private Limited

On December 24, 2021, the Group acquired 74.32% of the voting shares of Just4Kids Services Private Limited, a company based in India, with the strategic objective of increasing the presence of "content to commerce" platforms. The company owns mymoeny.com which is the largest platforms for nano influencers & momspresso.com which is one of India's largest women content platform. The Group acquired this business to gain the synergies and the customers base of Just4Kids Services Private Limited, and hence the management concluded this transaction to be a business combination as per Ind AS 103.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

	Purchase price allocated
Property, plant and equipment	0.30
Other Intangible assets	227.80
Cash and cash equivalents	31.18
Trade receivables	60.62
Investments	0.61
Other assets	18.43
Total assets (a)	**338.94**
Trade payables	12.76
Borrowings	52.27
Provisions	8.02
Other liabilities	45.61
	118.66
Deferred tax liability	57.33
Total liabilities (b)	**175.99**
Net assets acquired (a-b)	**162.95**

(ii) Goodwill arising on acquisition:

Particulars	**Amount**
Purchase consideration	1,523.58
Less: Carrying amount of net assets acquired	(162.95)
Goodwill arising on acquisition	**1,360.63**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is Rs 1,523.59 million. The details are as follows:

Nature of consideration and terms of payment	**Amount**
Cash consideration	944.58
Financial liability [Refer note below]	579.00
	1,523.58

Note:
The obligation to acquire remaining stake in Just4Kids Services Private Limited has been recorded as financial liability amounting to Rs 579.00 million. The Group recorded transferred identifiable assets (tangible and intangible) basis a fair valuation. Consequent to this business acquisition, Just4kids Services Private Limited results were consolidated effective December 24, 2021. Pending acquisition of remaining stake, the Group has attributed the profit and each component of OCI (if any) to Non Controlling Interest, which is included in financial liability for future acquisition. This financial liability has been measured at the date of acquisition, basis a fair valuation report, in accordance with lnd AS 109. 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.

(iv) From the date of acquisition upto March 31, 2022, Just4Kids Services Private Limited contributed Rs 101.12 million of revenue and Rs 49.14 million to loss from continuing operations of the Group. If the combination had taken place at the beginning of year ended March 31, 2022, the Group's revenue from continuing operations would have been Rs 9,646.20 million and the restated profit before tax from continuing operations would have been Rs 153.76 million.
The goodwill of Rs 1,360.64 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the content development CGU. None of the goodwill and intangible assets recognized on business combination are deductible for income tax purposes.

44 Business combinations and Business Acquisition (continued)

D] Acquisition of Subsidiary - Bhabani Blunt Hairdressing Private Limited and Acquisition of Business - Godrej Consumer Private Limited

On March 16, 2022, the Group acquired 100% of the voting shares of Bhabani Blunt Hairdressing Private Limited, a company based in India, which is India's premier hair styling salon and academy ("Service Business"). The Group acquired this business to have presence in salon market and develop adjacent product categories, and hence the management concluded this transaction to be a business combination as per Ind AS 103. Bhabani Blunt Hairdressing Private Limited has a subsidiary called B:Blunt-Spratt Hairdressing Private Limited.
The Group had also entered into Business Transfer agreement with Godrej Consumer Private Limited on March 16, 2022 to acquire its "Product Business" under the brand name B-Blunt which constitutes a business together with acquisition of aforementioned service business.

(i) The Group had conducted the fair valuation on the date of acquisition and accordingly have recognised the following assets and liabilities on the acquisition date:

	Purchase price allocated
Property, plant and equipment	26.03
Intangible assets	889.46
Right of use asset	115.07
Loans	12.97
Tax assets	30.67
Inventories	40.67
Advance to suppliers	15.53
Cash and cash equivalents	64.36
Trade receivables	2.95
Investments	0.10
Other assets	2.68
Total assets (a)	**1,200.49**
Lease liabilities	119.54
Provisions	6.58
Trade payables	6.69
Other liabilities	60.94
	193.75
Deferred tax liability	11.98
Total liabilities (b)	**205.73**
Net assets acquired (a-b)	**994.76**

(ii) Goodwill arising on acquisition:

Particulars	**Amount**
Purchase consideration	1,367.03
Less: Carrying amount of net assets acquired	(994.76)
Goodwill arising on acquisition	**372.27**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is Rs 1,367.03 million. The details are as follows:

Nature of consideration and terms of payment	**Amount**
Cash consideration	
- Service business	783.97
- Product business	583.06
	1,367.03

(iv) From the date of acquisition upto March 31, 2022, Bhabani Blunt Hairdressing Private Limited and B:Blunt Spratt Hairdressing Private Limited contributed Rs. 15.97 million of revenue and Rs. 4.20 million to loss from continuing operation of the Group. If the combination had taken place at the beginning of year ended March 31, 2022, the Group's revenue from continuing operations would have been Rs. 9,655.23 million and the restated profit before tax would have been Rs. 166.40 million.
The goodwill of Rs. 372.27 million comprises the fair value of expected synergies arising from acquisition. Goodwill is allocated entirely to the Hair care CGU. None of the goodwill and intangible assets recognized on business combination are deductible for income tax purposes. The intangible assets recognised pertaining to Product Business are tax deductible.

E] Incorporation of Subsidiary - PT Honasa Consumer Indonesia
On February 18, 2022, the Group incorporated PT Honasa Consumer Indonesia, a company based in Indonesia. The total cost incurred for incorporation amounts to Rs. 1.03 million. There are no other material transactions incurred during the period ended Spetember 30, 2022 and year ended March 31, 2022.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

45. Statutory Group Information

As at September 30, 2022 (Consolidated)

Name of the Entity in the Group	Country of Incorporation	Relationship as at September 30, 2022	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	India	-	101.29 %	7,482.25	430.29%	157.80	161.05%	1.53	423.50%	159.33
Subsidiaries										
Fusion Cosmeceutics Private Limited	India	Subsidiary	0.00 %	(0.17)	(171.62)%	(62.94)	0.00%	-	(167.30)%	(62.94)
Just4Kids Services Private Limited	India	Subsidiary	4.97 %	366.90	(221.80)%	(81.34)	(231.58)%	(2.20)	(222.05)%	(83.54)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	2.15 %	158.47	23.61%	8.66	11.58%	0.11	23.31%	8.77
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	0.63 %	46.85	30.51%	11.19	158.95%	1.51	33.76%	12.70
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	0.00 %	-	0.00%	-	0.00%	-	0.00%	-
Honasa Consumer General Trading L.L.C.	UAE	Subsidiary	0.00 %	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising on consolidation			(9.04)%	(667.58)	9.01%	3.30	0.00%	-	8.78%	3.30
TOTAL			**100.00%**	**7,386.72**	**100.00%**	**36.67**	**100.00%**	**0.95**	**100.00%**	**37.62**

As at March 31, 2022 (Consolidated)

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2022	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)	India	-	100.93 %	7,121.35	137.60 %	198.74	107.48%	1.12	137.38%	199.84
Subsidiaries										
Just4Kids Services Private Limited	India	Subsidiary	2.75 %	194.36	(34.06)%	(49.19)	4.32%	0.05	(33.78)%	(49.14)
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	2.08 %	146.87	(1.51)%	(2.18)	(0.67)%	(0.01)	(1.50)%	(2.18)
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	0.48 %	34.14	(1.40)%	(2.02)	(11.13)%	(0.12)	(1.47)%	(2.14)
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	0.00 %	-	0.00 %	-	0.00%	-	0.00%	-
Adjustment arising on consolidation			(6.24)%	(440.48)	(0.63)%	(0.91)	0.00%	-	(0.63)%	(0.91)
TOTAL			**100.00%**	**7,056.24**	**100.00%**	**144.44**	**100.00%**	**1.04**	**100.00%**	**145.47**

The Company did not have any subsidiaries, joint venture or associates as at March 31, 2021 and March 31, 2020.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

46 Material partly-owned subsidiary

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	September 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Fusion Cosmeceutics Private Limited	India	34.51%	-	-	-

Information regarding non-controlling interest:

	September 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Accumulated balances of material non-controlling interest:	105.40	-	-	-
Fusion Cosmeceutics Private Limited				
Restated Profit/(loss) allocated to material non-controlling interest:				
Fusion Cosmeceutics Private Limited	(21.72)	-	-	-

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations:

Summarised Restated Ind AS Summary Statement of Profit and Loss for the period ended September 30, 2022:

	Fusion Cosmeceutics Private Limited
Revenue from operations	54.07
Other income	0.05
Total income (I)	**54.12**
Purchase of traded goods	22.40
Changes in inventory of finished goods	(8.12)
Employee benefit expenses	7.65
Depreciation Expense	0.07
Finance Cost	0.20
Other expenses	76.46
Total expenses (II)	**98.67**
Profit/(loss) before tax (III=I-II)	**(44.55)**
Total tax expenses (IV)	18.39
Profit/(loss) (V=III-IV)	**(62.94)**
Total comprehensive income/(loss)	**(62.94)**
Attributable to non-controlling interests	**(21.72)**
Dividends paid to non-controlling interests	**-**

Summarised Restated Ind AS Summary Statement of Assets and Liabilities as at September 30, 2022:

	Fusion Cosmeceutics Private Limited
Inventories and cash and cash equivalents (current)	22.17
Trade receivables (current)	17.35
Other assets (current)	12.86
Property, plant and equipment (non-current)	0.24
Total (A)	**52.61**
Trade payables (current)	35.09
Other liabilities (non-current)	17.68
Total (B)	**52.77**
Total equity(A-B)	**(0.16)**
Attributable to:	
Equity holders of parent	(0.11)
Non-controlling interest	(0.05)

Summarised Restated Ind AS Summary Statement of Cash Flows for the year ended September 30, 2022:

	Fusion Cosmeceutics Private Limited
Operating	(45.66)
Investing	(0.11)
Financing	78.07
Net increase/(decrease) in cash and cash equivalents	**32.30**

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

(All amounts in Rs. million, except as otherwise stated)

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

A. First time adoption

For periods up to and including the year ended March 31, 2021, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP- Indian GAAP).

The consolidated financial statements, for the year ended March 31, 2022, were the first statutory financial statements of the Group prepared in accordance with Ind AS. In preparing the first Ind AS financial statements, the Group's Ind AS opening balance sheet was prepared as at April 01, 2020, the Group's Statutory date of transition to Ind AS.

The Special purpose Ind AS standalone financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2020) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI letter.

This note below explains exemptions availed by the Holding Company in restating its Previous GAAP financial statements and the GAAP adjustments which includes:
a) Reconciliation of Equity and Total Comprehensive Income for the year end March 31, 2021 with the Audited Indian GAAP financial statements of year end March 31, 2021 as presented in Statutory Ind AS financial statements for year end March 31, 2022.
b) Reconciliation of Equity and Total Comprehensive Income of special purpose Ind AS Financial Statements for year ended March 31, 2020 with the Audited Indian GAAP financial statements for year ended March 31, 2020.
c) Reconciliation of Equity for April 01, 2019 (Opening balance sheet date for Special purpose financial statements) with the Indian GAAP Audited Financial Statements of year end March 31, 2019.

B. Exemptions applied

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

Deemed cost for Property, plant and equipment and intangible assets

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

The Group has adopted Ind AS 116 based on modified retrospective approach, wherein the Present Value of remaining lease payment as on the date of transition is recognised as the lease liability and right-to-use asset is considered equal to the amount of lease liability.

C. Mandatory Exceptions

Classification and measurement of financial assets

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

Estimates

The Group estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.
Ind AS estimates as at April 01, 2020, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under previous GAAP :

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

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

1. Equity reconciliation

		Standalone		
	Notes	**As at March 31, 2021**	**As at March 31, 2020**	**As at April 01, 2019**
Equity as reported under previous GAAP		1,820.48	1,531.43	297.53
Ind AS adjustments				
Fair value adjustments:				
Security deposits	a	0.25	0.02	-
Investments at FVTPL	b	102.09	24.34	2.93
Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(19,539.99)	(5,927.56)	(398.61)
Share based payment	d			
Employee stock option outstanding reserve		4.08	4.78	-
Retained earnings (fair value impact)		(4.08)	(4.78)	-
Leases	e	(8.91)	0.07	-
Deferred tax impact on the aforesaid adjustments	g	(25.35)	-	-
Equity as per Ind AS		**(17,651.43)**	**(4,371.70)**	**(98.15)**

(All amounts in Rs. million, except as otherwise stated)

47 FTA (continued)

2. Total comprehensive income reconciliation for the year ended March 31, 2021 and March 31, 2020:

	Notes	Standalone March 31, 2021	Standalone March 31, 2020
Profit/(loss) after tax as per previous GAAP		245.91	(59.19)
Ind AS adjustments			
Fair value adjustments:			
Security deposits	a	0.23	0.02
Investments at fair value through profit and loss account	b	77.75	21.41
Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS)	c	(13,612.43)	(4,238.68)
ESOP expenses	d	0.70	(4.10)
Leases	e	(8.88)	0.07
Remeasurement of employee benefit obligation (net of tax)	f	(0.08)	0.16
Deferred tax impact on the aforesaid adjustments	g	(25.35)	-
Net Profit/(loss) after tax as per Ind AS		**(13,322.15)**	**(4,280.31)**
Other comprehensive income (net of tax)	f	0.08	(0.16)
Total comprehensive income/(loss) as per Ind AS		**(13,322.07)**	**(4,280.47)**

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

	Standalone As per previous GAAP	Standalone Ind AS adjustments	Standalone As per Ind AS
Net cash flows from operating activities	287.17	10.09	297.26
Net cash flows used in investing activities	(208.41)	2.35	(206.06)
Net cash flows used in financing activities	(0.33)	(12.44)	(12.77)
Cash and cash equivalents at the beginning of the year	19.16	-	19.16
Cash and cash equivalents at the end of the year	**97.59**	**-**	**97.59**

Cash flow reconciliation for the year ended March 31, 2020

	Standalone As per previous GAAP	Standalone Ind AS adjustments	Standalone As per Ind AS
Net cash flows from operating activities	(107.13)	3.58	(103.55)
Net cash flows used in investing activities	(1,169.22)	-	(1,169.22)
Net cash flows from in financing activities	1,290.45	(3.58)	1,286.87
Cash and cash equivalents at the beginning of the year	5.06	-	5.06
Cash and cash equivalents at the end of the year	**19.16**	**-**	**19.16**

E Notes to reconciliations between previous GAAP and Ind AS

a) Security deposits

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

For special purpose Ind AS Financial Statement for year end March 31, 2020, the fair value of security deposits by Rs. 0.02 million is adjusted in profit and loss towards the fair value of security deposit.

b) Investments

Under previous GAAP, the Group were carrying their current investments at the lower of carrying amount and face value. Under Ind AS, these investments are required to be measured at fair value. The resulting change in fair value is recognised in retained earnings at the date of transition i.e. April 01, 2020 and subsequently in the statement of profit and loss. The Group has recorded a fair market value adjustment of Rs. 21.41 million to retained earnings as at March 31, 2020. In the year March 31, 2021 the Group has accounted other income of Rs 77.75 million on account of fair valuation of investments.

For special purpose Ind AS Financial Statement for year end March 31, 2020, the fair market value adjustment is Rs. 21.41 million to profit and loss on account of fair valuation of investments.

c) NCCCPS

Under the previous GAAP, Non-cumulative compulsorily convertible preference shares (NCCCPS) issued to the investors were classified as equity and carried at transaction value. The terms of the instrument provided the holder an option to convert the instrument at any time and also a right to put back the instrument to the Group on non completion of an 'Initial Public Offering'. On such occurrence, the Group will be obliged to buyback NCCCPS at a price equal the fair value of equity shares at redemption. The instrument is assessed to be a financial liability with an embedded derivative liability in the form of settlement option. At initial recognition it is recorded at its fair value and difference between its fair value and the carrying amount as per previous GAAP is recognised in the retained earnings. The Group has recorded a fair market value adjustment of Rs 4,238.68 million to retained earnings as at March 31, 2020. In the year March 31, 2021 the Group has accounted fair value loss of Rs. 13,612.43 million on account of fair valuation loss of NCCCPS.

For special purpose Ind AS Financial Statement for year end March 31, 2020, the fair market value adjustment is Rs. 4,238.68 million to profit and loss on account of fair valuation of NCCCPS.

47 FTA (continued)

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

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

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

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

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

F) Material regrouping
Appropriate adjustments have been made in these Restated Ind AS Summary Statement, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the Ind AS.

The above statement should be read with Annexure V, Annexure VI and Annexure VII to the Restated Ind AS Summary Statements.

48. Other statutory information

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

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

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

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency.

(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 (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, except as disclosed below:

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

(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.

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

50. Events after the reporting period

(i) The Holding Company increased its authorised share capital from 140 million equity shares of Rs.10 each to 340 million equity shares of Rs.10 each on October 26, 2022.

(ii) The Holding Company is converted from Private Company limited by shares (Honasa Consumer Private Limited) to Public Company limited by shares (Honasa Consumer Limited) on November 11, 2022.

(iii) On December 9, 2022, the Holding Company has acquired the balance 34.51% stake in Fusion Cosmeceutics Private Limited through purchase of 650,534 shares for a consideration of Rs. 300 million in accordance with share purchase agreement.

(iv) The Board of Directors of the Holding Company have approved the amendment to the Share Appreciation Rights Plan 2021 whereby the plan has been renamed as ‘Employee Stock Option Plan 2021’ and the exercise ratio i.e. the number of the equity shares that will be allotted to employees on exercise of the vested SARs has been fixed.

51. Absolute amounts less than Rs.5,000 are appearing in the Restated Ind AS Summary 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: December 15, 2022

For and on behalf of the Board of Directors of
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

Varun Alagh
Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Dhanraj Dagar
Company Secretary

Place: Gurugram
Date: December 15, 2022

Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)
CIN: U74999DL2016PLC306016
Annexure VII - Statement of adjustments to Restated Ind AS Summary Statements
(All amounts in Rs. million, except as otherwise stated)

Part A: Statement of restatement adjustments to Consolidated Audited Ind AS financials statements/Audited Special Purpose IndAS standalone financial statements

Reconciliation between audited total comprehensive income/(loss) and restated total comprehensive income/(loss)*:

	Consolidated		Standalone	
	Six months period ended September 30, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A. Audited Total Comprehensive income/(loss)*	**37.62**	**145.47**	**(13,322.07)**	**(4,280.47)**
B. Material restatement adjustments				
(i) Audit qualifications				
(ii) Other material adjustments	-	-	-	-
Change in accounting policies	-	-	-	-
Other adjustments	-	-	-	-
Total (B)	-	-	-	-
C. Restated total comprehensive income/(loss) (A+B)	**37.62**	**145.47**	**(13,322.07)**	**(4,280.47)**

*Amounts pertaining to audited total Comprehensive income/(loss) for the year ended March 31, 2021 and March 31, 2020 are as per the Special purpose Ind AS standalone financial statements for the year ended March 31, 2021 and March 31, 2020 respectively, which were prepared by the Group after taking into consideration the requirements of the SEBI letter. These Special purpose Ind AS Standalone financial statements have been prepared as per the basis of preparation as discussed in Note 2.1 of Annexure V.

Reconciliation between audited total equity (including NCI) and restated total equity*:

	Consolidated		Standalone	
Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
A. Audited total equity (Refer Note (a) below)*	7,386.72	7,056.24	(17,651.43)	(4,371.70)
B. Material restatement adjustments				
(i) Audit qualifications	-	-	-	-
(ii) Other material adjustments				
-Change in accounting policies	-	-	-	-
-Other adjustments	-	-	-	-
Total (B)	-	-	-	-
C. Total Equity as Restated Summary Statement of Assets and Liabilities (A+B)	7,386.72	7,056.24	(17,651.43)	(4,371.70)

* Amounts pertaining to audited equity as at March 31, 2021 and March 31, 2020 is as per the Special Purpose IndAS Standalone Financial Statements as at March 31, 2021 and March 31, 2020, which was prepared by the Company, in response to SEBI Letter. These Special Purpose Ind AS standalone financials Statements have been prepared as per basis of preparation as discussed in Note 2.1 of Annexure V.

** Audited total equity as at March 31, 2020 is Rs. (4,371.70) million, whereas opening balance of total equity as at April 01, 2020 as per statutory financial statements under Ind AS is Rs. (4,371.80) million. The difference of Rs 0.10 million pertains to applying Ind AS 116 principles for special purpose financial statements for the year ended March 31, 2020.

PART-B : Non adjusting events

(a) Audit qualifications for the respective years, which do not require any adjustments in the Restated Ind AS summary statements are as follows:

There are no audit qualification in auditor's report for the six months period ended September 30, 2022, year ended March 31, 2022, March 31, 2021 and March 31, 2020.

(b) Emphasis of matters not requiring adjustments to Restated Ind AS summary statements:

Auditor's Report on Special Purpose Ind AS Standalone Financial Statements as at and for the year ended March 31, 2021
Emphasis of matter – Basis of preparation and restriction of use
We draw attention to Note 1.1 to the Special Purpose Ind AS standalone financial statements, which describes the basis of preparation of these special purpose Ind AS consolidated financial statements which states that these special purpose Ind AS consolidated financial statements have been prepared by the Company after taking into the consideration the requirements of Securities and Exchange Board of India ("SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years (hereinafter referred to as the "the SEBI e-mail"). Accordingly, the special purpose Ind AS consolidated financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
Our opinion is not modified in respect of this matter.

(All amounts in Rs. million, except as otherwise stated)

Auditor's Report on Special Purpose Ind AS Standalone Financial Statements as at and for the year ended March 31, 2020

Emphasis of matter – Basis of preparation and restriction of use

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

The above matters do not require adjustment to Restated Ind AS summary statements.

(c) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016 (as amended) which do not require any adjustments in the Restated Ind AS summary statements are as follows:

For the year ended March 31, 2021

Clause vii(a) of CARO, 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of withholding taxes in few cases.

For the year ended March 31, 2020

Clause vii(a) of CARO, 2016 Order

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 though there have been serious delays in remittance of withholding taxes, employee provident fund and goods and services tax dues in few cases.

Clause vii(b) of CARO, 2016 Order

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except as below:

Name of the statute	Nature of dues	Amount (excluding interest) (Rs.)	Period to which the amount relates	Due date	Date of payment
Income Tax Act, 1961	Equalization levy	27,468	June 2019	July 07, 2019	June 07, 2020
Employees' Provident Funds & Miscellaneous Provisions Act, 1961	Provident fund contribution	38,144	April 2019 - August 2019	Various dates	August 27, 2020
Goods and Services Act, 2017	Goods and services tax	12,468	May 2019- August 2019	Various dates	May 05, 2020

(d) Other audit qualifications included in the Annexure to the auditors' report issued under Section 143(3)(i) of the Act on the audit of Internal Financial Controls which do not require any adjustments in the Restated Ind AS summary statements are as follows:

For the year ended March 31, 2020

Disclaimer of Opinion

According to the information and explanation given to us, the Company has certain internal financial controls over financial reporting. However, such internal financial controls over financial reporting with reference to these financial statements have not been established 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting with reference to these financial statements as at March 31, 2020 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls Over Financial Reporting with reference to these financial statements.

PART-C: Material Regroupings

There are no material re-groupings made in the audited IndAS consolidated financials statements/Audited special purpose Ind AS financial statements on account of restatement to any of the years/period presented in these Restated Ind AS Summary Statements.

Note:
The above Statement should be read with the Annexure V and Annexure VI to the Restated Ind AS Summary Statement.

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: December 15, 2022

For and on behalf of the Board of Directors of
Honasa Consumer Limited (formerly known as Honasa Consumer Private Limited)

Varun Alagh	**Ghazal Alagh**	**Dhanraj Dagar**	**Raman Preet Sohi**
Director & Chief Executive Officer	Director	Company Secretary	Chief Financial Officer
DIN: 07597289	DIN: 07608292		

Place: Gurugram
Date: December 15, 2022

OTHER FINANCIAL INFORMATION

The accounting ratios and other non-GAAP measures derived from our Restated Ind AS Summary Statements are given below:

Sl. No	Particulars	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
1.	EPS (Equity shares, nominal value of ₹10 each) (Basic)^	0.25	0.53	(98.35)	(31.63)
2.	EPS (Equity shares, nominal value of ₹10 each) (Diluted)^	0.25	0.52	(98.35)	(31.63)
3.	RoNW	1.06%	2.23%	-	-
4.	NAV per share*	23.19	23.42	(61.80)	(15.37)
5.	EBITDA*	139.02	114.59	(13,340.33)	(4,317.14)
6.	Adjusted EBITDA*	272.11	302.49	313.64	(71.92)
7.	Adjusted EBITDA margin (%) *	3.77%	3.21%	6.82%	(6.55)%

**Non-GAAP financial measure*

^Not annualised for September 30, 2022

The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on Net worth (%) = Restated profit/(loss) attributable to equity holders of the parent divided by total equity attributable to equity holders of the parent. Since net worth is negative for fiscal year ended March 31, 2021 and March 31, 2020, RoNW is not derived here.*
3. *Weighted average number of shares outstanding during the period/year post conversion of NCCCPS and proposed issuance of equity shares against the outstanding options under ESOP schemes.*
4. *Net Asset Value per share represents net worth at the end of the year/period divided by the weighted average number of shares outstanding during the period/year post-conversion of NCCCPS and the proposed issuance of equity shares against the outstanding options under ESOP schemes.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company, BBlunt and Just4Kids for Financial Years 2022 ("**Audited Financial Statements**") are available on our website at www.honasa.in/investors , in accordance with the applicable provisions in this regard under SEBI ICDR Regulations. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLMs or the Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Reconciliation of Non-GAAP measures

Reconciliation for the following Non-GAAP financial measures included in the Draft Red Herring Prospectus are set out below:

Reconciliation of Equity Share Capital to Net Worth

(in ₹ million)

	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity share capital (A)	1,363.03	0.13	0.13	0.13
Instruments entirely in the nature of equity (B)	17,929.36	17,929.36	-	-
Other equity (C)	(12,011.07)	(10,873.25)	(17,651.56)	(4,371.83)
Net worth (D=A+B+C)	**7,281.32**	**7,056.24**	**(17,651.43)**	**(4,371.70)**

Reconciliation of Restated Profit/ (Loss) attributable to equity holders of the parent to RoNW

(in ₹ million)

	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Restated Profit/(Loss) Attributable to Equity holders of the parent (A)	76.94	157.15	(13,322.15)	(4,280.26)
Net Worth (B)	7,281.32	7,056.24	(17,651.43)	(4,371.70)
Return on net worth (in %) (RoNW) (C=A/B)	**1.06%**	**2.23%**	**N.A.***	**N.A.***

***** *Since net worth is negative for fiscal year ended March 31, 2021 and March 31, 2020, RoNW is not derived here*

Reconciliation of Equity attributable to the Equity holders of the parent to NAV per share

(in ₹ million except as otherwise stated)

	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity attributable to equity holders of the parent (A)	7,281.32	7,056.24	(17,651.43)	(4,371.70)
Weighted average number of shares outstanding during the period/year post conversion of NCCCPS and proposed issuance of equity shares against the outstanding options under ESOP scheme (B)	314,041,698	301,281,878	285,612,922	284,423,718
Restated net asset value (NAV) per share (C=A/B) (in ₹)	**23.19**	**23.42**	**(61.80)**	**(15.37)**

Reconciliation of Revenue from operations to Gross Profit and Gross Profit Margin

(in ₹ million)

	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations (A)	7,227.35	9,434.65	4,599.90	1,097.84
Less: Purchases of traded goods (B)	2,695.78	3,047.68	1,607.77	490.38
Less: Increase in inventories of traded good (C)	(568.61)	(213.29)	(280.71)	(122.61)
Gross Profit (D=A-B-C)	**5,100.18**	**6,600.26**	**3,272.84**	**730.07**
Gross Profit Margin (in %) (E=D/A)	**70.57%**	**69.96%**	**71.15%**	**66.50%**

Reconciliation of Restated Profit/(Loss) to EBITDA, EBITDA Margin, Adjusted EBITDA, and Adjusted EBITDA Margin

(in ₹ million)

	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Restated Profit/ (Loss) (A)	36.67	144.43	(13,322.15)	(4,280.26)
Add:				
Finance costs (B)	30.66	30.05	9.75	0.49
Total tax expenses (C)	54.61	79.96	76.06	-
Depreciation and amortization expenses (D)	110.42	68.95	17.12	6.46
Less:				
Other Income (E)	93.34	208.80	121.11	43.83
EBITDA (F=A+B+C+D-E)	**139.02**	**114.59**	**(13,340.33)**	**(4,317.14)**
Add:				
Change in fair valuation of preference shares (G)	-	-	13,612.43	4,238.68
Share Based payments expenses (equity settled) (H)	125.51	167.75	41.54	6.54
Share based payments expenses (cash settled) (I)	7.58	20.15	-	-
Adjusted EBITDA (J=F+G+H+I)	**272.11**	**302.49**	**313.64**	**(71.92)**
Revenue from operations (K)	7,227.35	9,434.65	4,599.90	1,097.84
EBITDA margin (in %) (L=F/K)	**1.92%**	**1.21%**	**(290.01)%**	**(393.24)%**
Adjusted EBITDA margin (in %) (M=J/K)	**3.77%**	**3.21%**	**6.82%**	**(6.55)%**

Reconciliation of Purchases of traded goods to COGS

(in ₹ million)

	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases of traded goods (A)	2,695.78	3,047.68	1,607.77	490.38
Increase in inventories of	(568.61)	(213.29)	(280.71)	(122.61)

(in ₹ million)

	For the six months period ended September 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
traded good (B)				
COGS (C=A+B)	**2,127.17**	**2,834.39**	**1,327.06**	**367.77**

Invested capital in business (denoting capital efficiency)

(in ₹ million)

Particulars	As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Business assets				
Property, plant and equipment **(A)**	65.57	43.71	11.26	4.15
Capital work in progress **(B)**	10.12	-	-	-
Software **(C)**	37.90	22.10	-	-
Right-of-use assets **(D)**	736.14	532.14	199.60	5.94
Intangible assets under development **(E)**	-	18.83	-	-
Security deposits **(F)**	42.45	22.91	7.34	3.12
Interest accrued **(G)**	15.05	1.41	-	-
Income tax assets (net) **(H)**	48.06	48.61	1.52	0.57
Other non-current assets **(I)**	13.13	-	-	-
Inventories **(J)**	1,221.31	658.52	413.47	136.71
Trade receivables **(K)**	1,419.00	727.86	338.43	106.06
Other financial assets **(L)**	103.39	46.32	4.48	7.84
Other current assets **(M)**	479.49	325.85	145.22	38.29
Total Business assets N=(A+B+C+D+E+F+G+H+I+J+K+L+M)	**4,191.61**	**2,448.26**	**1,121.32**	**302.68**
Less:				
Business Liabilities				
Lease liabilities **(O)**	661.45	497.96	185.88	3.60
Other financial liabilities **(P)**	462.37	598.81	-	-
Provisions **(Q)**	45.66	35.54	9.55	3.24
Deferred tax liabilities (net) **(R)**	63.14	85.60	14.20	-
Unsecured loans **(S)**	0.68	2.29	-	-
Lease liabilities **(T)**	119.20	62.47	17.43	0.22
Total outstanding due of micro enterprises and small enterprises **(U)**	51.77	34.99	121.27	76.97
Total outstanding due of creditors other than micro enterprises and small enterprises **(V)**	2,224.38	1,668.53	682.15	142.04
Other financial liabilities **(W)**	244.55	129.53	45.13	10.72
Provisions **(X)**	31.44	23.89	9.46	2.57
Other current liabilities **(Y)**	146.04	120.70	52.76	14.90
Income tax liability (net) **(Z)**	49.70	-	-	-
Total business liabilities AA=(O+P+Q+R+S+T+U+V+W+X+Y+Z)	**4,100.37**	**3,260.31**	**1,137.83**	**254.26**
Invested capital in business AB= (N-AA)	**91.24**	**(812.05)**	**(16.51)**	**48.42**

Working Capital Days

(in ₹ million)

Working Capital	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Current Assets				
Trade receivables (A)	1,419.00	727.86	338.43	106.06
Inventories (B)	1,221.31	658.52	413.47	136.71
Other current assets (C)	479.49	325.85	145.22	38.29
Current Liabilities				
Borrowings (D)	72.54	35.86	-	-
Trade payables (E)	2,276.15	1,703.52	803.42	219.01
Provisions (F)	31.44	23.89	9.46	2.57
Income tax liability (net) (G)	49.70	-	-	-

Working Capital	As at and for the six months period ended September 30, 2022	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Current Lease liabilities (H)	119.20	62.47	17.43	0.22
Other financial liabilities (I)	244.55	129.53	45.13	10.72
Other current liabilities (J)	146.04	120.70	52.76	14.90
Net Working Capital (K= A+B+C-D-E-F-G-H-I-J)	**180.18**	**(363.74)**	**(31.08)**	**33.64**
Revenue from operations(L)	7,227.35	9,434.65	4,599.90	1,097.84
Number of days for the period/year(M)	183.00	365.00	365.00	366.00
Working Capital Days (in number of days) (N=K/(L/M)	**5**	**(14)**	**(2)**	**11**

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, *i.e.*, Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the six months period ended September 30, 2022 and the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 and as reported in the Restated Ind AS Summary Statements, see "*Restated Ind AS Summary Statements – Annexure VI – Notes to Restated Ind AS Summary Statements - Note 34*" on page 256.

FINANCIAL INDEBTEDNESS

Our Board is empowered to borrow money in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding loan amounts, except bank guarantees. Further, as on the date of this Draft Red Herring Prospectus, some of our Subsidiaries have certain borrowings including working capital overdraft limits and bank guarantees.

A summary of the borrowings of our Company and Subsidiaries is set forth in the table below:

Category of borrowing	Sanctioned Amount as on November 30, 2022 (₹ in million)*	Interest accrued as on November 30, 2022*	Outstanding amount as on November 30, 2022 (₹ in million)*
Company			
Secured			
Fund Based facilities			
Overdraft facilities	100.00	Nil	Nil
Non-Fund based facilities			
Bank Guarantee	315.26	Nil	200.07
Foreign Bills Discounting Facility	100.00	Nil	Nil
Total	**515.26**	**Nil**	**200.07**
Subsidiaries			
Secured			
Fund Based facilities			
Overdraft facilities	100.00	Nil	62.06
Non-Fund based facilities			
Bank Guarantee	20.80	Nil	20.68
Total	**120.80**	**Nil**	**82.74**

** As certified by B.B. & Associates, Chartered Accountants, pursuant to the certificate dated December 28, 2022.*

Principal terms of our outstanding borrowings (**"Borrowings"**):

1. ***Tenor:*** The tenor of our Borrowings is generally a period of 12 months subject to renewal.

2. ***Interest***: Interest rate charged by the lenders for our Borrowings typically ranges from 0.50% to 0.75% over and above the interest rate of fixed deposit.

3. ***Penal Rate***: The lender reserve the right to levy penal interest rate at 2 % to 3% p.a. in the event of delay in service of interest or repayment of principal, unsatisfactory conduct of account, non-routing of adequate share of business for business, non-adherence to any covenants, decline in financial / business performance, delay in submission of papers / creation of charge or any other event it may deem fit.

4. ***Right on Default***: The lender is entitled to disclose to the Reserve Bank of India or to any other third person, on its being called upon to do so, the name / identity of the Borrower and the fact of its having committed any act of default.

5. ***Undertaking***: We are required to take the prior approval of the lender or intimate the lender before carrying out the activities, including, among others, as set out below:

    (a) No objection certificate before raising any exposure from bank/ financial institution.

    (b) Undertaking from the company that they will not change the shareholding without due permission from the lender. Also, company will not undertake or permit any reorganization, amalgamation, reconstruction, takeover or any other scheme of compromise or arrangement, nor amend any provision of major constitutive documents in such a manner that may adversely affect lender's right under the facilities.

Principal terms of our Subsidiaries' outstanding borrowings (**"Subsidiaries' Borrowings"**):

1. ***Tenor:*** The tenor of our Subsidiaries' Borrowings is generally a period of 12 months subject to renewal.

2. ***Interest:*** Interest rate charged by the lenders for our Subsidiaries' Borrowings typically ranges from 0.50% to 0.75% over and above the interest rate of fixed deposit. The interest rate for the inter-corporate loan for one of our Subsidiaries is at the rate 7% per annum.

3. ***Security:*** Most of our Subsidiaries' borrowings require us to create security, typically by way of charge over fixed deposits.

4. ***Repayment***: The credit facilities of our Subsidiaries are typically repayable on demand in accordance with the sanction letters and facility agreement executed.

5. ***Penal Rate***: Lender reserves the right to levy penal interest rate at 2 % to 3% p.a. in the event of delay in service of interest or repayment of principal, unsatisfactory conduct of account, non-routing of adequate share of business for business, non-adherence to any covenants, decline in financial / business performance, delay in submission of papers / creation of charge or any other event it may deem fit.

6. ***Pre-payment:*** In relation to the Subsidiaries' Borrowings, certain lenders may charge prepayment penalty of up to 4 % or at such other rate as may be advised by the lender in the sanction letter or at such rate as may be advised by the lender at the time of request for prepayment of outstanding principal amount together with interest due in full or in part before the due dates.

7. ***Key covenants:***

   In terms of the facility agreements and sanction letters, our Subsidiaries' are required to:
   (a) comply with all applicable laws and obtain and maintain all authorizations;
   (b) promptly inform the lender of any material litigation, arbitration or any other proceedings involving the Subsidiaries;
   (c) submit financial statements of the Subsidiaries to the lender, as may be required, from time to time;
   (d) promptly inform the lender of any proposed changes in the ownership, management, control of the Subsidiaries;
   (e) obtain prior consent for changes in capital structure of the Subsidiaries;
   (f) obtain prior consent before entering into any borrowing arrangement with other banks, financial institutions or companies etc.;
   (g) obtain prior consent before selling, transferring or disposing off the properties or assets;
   (h) obtain prior consent before effecting any restructuring, formulate any scheme of amalgamation or reconstruction, or arrangement or compromise with its creditors; and
   (i) not dispose of its assets other than those permitted by the bank in writing.

8. ***Events of Default:***

   In terms of the facility agreements and sanction letters, the following, among others, constitute as events of default:
   (a) company or any other person is in breach of any covenants, conditions or any other terms of the transaction documents of the facility agreement;
   (b) default has occurred in payment of monies of the facilities on the due dates;
   (c) if any voluntary action has been taken for its insolvency, winding up or dissolution;
   (d) the security for the facilities is in jeopardy;
   (e) if any of the transaction documents is repudiated or causes any act or thing evidencing an intention to repudiate the transaction documents or any term, condition, provisions including any representation or warranty;
   (f) if any attachment, distress, execution or other process is enforced or levied upon by any person;
   (g) failure to pay any amount under any court order or decree or judgment which results in material adverse effect.

9. ***Consequences of occurrence of events of default:***

   In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our Subsidiaries' lenders may, among others:
   (a) terminate the facilities and/ or declare that the dues and all obligations shall immediately become due and payable;
   (b) declare security created to be enforceable;
   (c) take possession of and/or transfer the assets comprised within the security;
   (d) appointment of observer on the board;
   (e) conversion of outstanding loan obligations into equity or other securities; and
   (f) exercise such remedies as may be permitted or available to the Bank under law, including RBI guidelines.

The details provided above are indicative and there may be additional terms, conditions and requirements under the various outstanding borrowing arrangements of our Subsidiaries. For risks in relation to additional financing which we may be required to avail, see "*Risk Factors - We may require additional financing in the form of debt or equity to meet our business requirements*.", on page 51.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2022, on the basis of amounts derived from our Restated Ind AS Summary Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Restated Ind AS Summary Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 35, 201 and 290, respectively.

(₹ in million)

Particulars	Pre-Offer as at September 30, 2022	As adjusted for the proposed Offer[1]
Current liabilities - financial liabilities – borrowings **(A)**	72.54	[●]
Non-current liabilities - financial liabilities – borrowings **(B)**	Nil	[●]
Total borrowings (A+B=C)	**72.54**	[●]
Equity Share capital	1,363.03	[●]
Instruments entirely in the nature of equity	17,929.36	[●]
Other equity	(12,011.07)	[●]
Non-controlling interest	105.40	[●]
Total equity (D)	**7,386.72**	
Capitalisation (C+D)	**7,459.26**	
Ratio: long term borrowings/ total equity	-	[●]

[1]The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Restated Ind AS Summary Statements. The Restated Ind AS Summary Statements has been prepared by the management as required under the SEBI ICDR Regulations read with the ICAI Guidance Note. For more information, see "Risk Factors — External Risk Factors — Risks Related to India — Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition." on page 57.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. Financial information for the six months period ended September 30, 2022 is not indicative of full-year results, and is not comparable with the annual financial statements presented in this Draft Red Herring Prospectus. See "Risk Factors — Internal Risk Factors — In this Draft Red Herring Prospectus, we have compared consolidated financial information as of and for the year ended March 31, 2022 with our standalone financial information as of and for the year ended March 31, 2021 and for the year ended March 31, 2020. These periods are not comparable to each other." on page 47.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" beginning on page 22.

Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2022 and the financial years ended March 31, 2020, 2021 and 2022 included herein is derived from the Restated Ind AS Summary Statements included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to Honasa Consumer Limited together with its subsidiaries on a consolidated basis as at and for the year ended March 31, 2022 and six months period ended September 30, 2022 and to Honasa Consumer Limited on standalone basis for the years ended March 31, 2021 and 2020.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation — Financial Data — Non-GAAP financial measures and certain other statistical information" and "Risk Factors — Internal Risk Factors — We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation" on pages 19 and 52, respectively.

*The industry-related information contained in this section is derived from the industry report titled "Report on Beauty and Personal Care Market in India" dated December 2022 prepared by RedSeer Management Consulting Private Limited ("**RedSeer**" and such report, the "**RedSeer Report**"). We have commissioned and paid for the RedSeer Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged RedSeer in connection with the preparation of the RedSeer Report pursuant to an engagement letter dated July 7, 2022. A copy of the RedSeer Report shall be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the RedSeer Report (extracts of which have been appropriately incorporated as part of "Industry Overview" beginning on page 120).*

OVERVIEW

We are the largest digital-first beauty and personal care ("**BPC**") company in India in terms of revenue from operations for the Financial Year 2022 *(Source: RedSeer Report)*. Since our inception, we have worked with the primary objective of developing products that address beauty and personal care problems faced by consumers. For instance, our flagship brand, Mamaearth, is built to service a core customer need for safe-to-use, natural products, and focuses on developing toxin-free beauty products (as defined below) made with natural ingredients. According to the RedSeer Report, as of September 30, 2022, Mamaearth has emerged as the fastest growing BPC brand in India to reach an annual revenue of ₹10 billion (in the preceding 12 months) within six years of launch.

Since launching Mamaearth in 2016, we have added five new brands to our portfolio, namely The Derma Co., Aqualogica, Ayuga, BBlunt and Dr. Sheth's, and have built a 'House of Brands' architecture. As of September 30, 2022, our portfolio of brands with differentiated value propositions includes products in the baby care, face care, body care, hair care, color cosmetics and fragrances segments.

Our success with Mamaearth and our ability to identify and cater to emerging trends has enabled us to develop repeatable brand building playbooks that have helped in scaling our newer brands at a fast pace. These playbooks are powered by our consumer-centric approach across various aspects of our business model, including our innovation engine, our digital-first omni-channel distribution, and our technology and data-driven marketing and consumer engagement model.

The graphic below provides a brief overview of our brands:

Additionally, we continuously seek to connect better with our consumers and strengthen our brand equity by building 'purpose-driven' brands that are associated with environmental and social impact causes. For instance, through the Mamaearth 'Plant Goodness' initiative, we work with a non-government organisation to plant trees for orders placed on our direct-to-consumer ("**DTC**") platform and share geo-tagged images of these trees with our consumers. Similarly, The Derma Co. is associated with a 'Young Scientists' program wherein children in certain rural parts of India are provided with access to education in science, and Aqualogica is associated with a 'Fresh Water for All' initiative wherein we help enable access to clean drinking water for marginalized communities.

Our focus on building thoughtfully designed and purpose driven brands has helped cultivate trust, brand resonance and affinity amongst our consumers and has enabled us to grow our business, as demonstrated by the following:

- We have grown our revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022 (from ₹1,097.84 million in Financial Year 2020 to ₹9,434.65 million in Financial Year 2022), while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13% (Source: *RedSeer Report*).

- Mamaearth is the largest brand in the DTC BPC market in India in terms of revenue generated from the DTC channel in Financial Year 2022 (Source: *RedSeer Report*). During Financial Year 2022 and the six months period ended September 30, 2022, 43.15% and 52.37% of our revenue from operations from this channel (for our Mamaearth brand) was attributable to existing customers, respectively.

- We had a market share of 5.3% in the online BPC market (i.e. DTC and eTailing) in India in calendar year 2021 and a market share of 26.4% in the DTC BPC market in 2021 (Source: *RedSeer Report*).

- Mamaearth was India's most-searched BPC brand on Google Trends between January 2020 and November 2022 (Source: *RedSeer Report*).

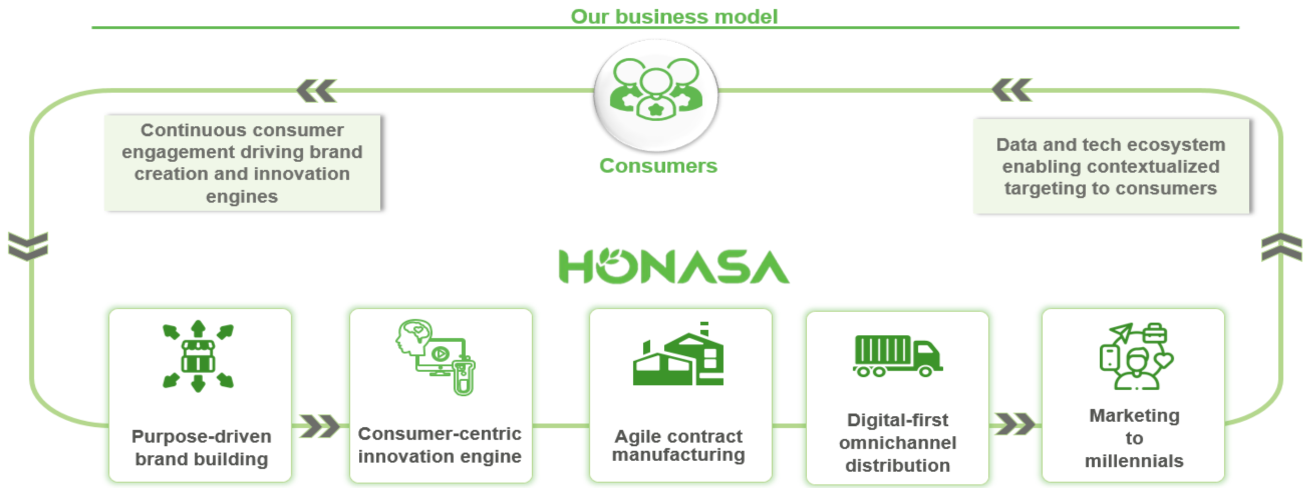
- Mamaearth was ranked amongst the top three in terms of awareness in the grooming category on Flipkart between May 2021 and November 2022 (Source: *RedSeer Report*).

We have built our business by focusing on driving profitable unit economics, as demonstrated by the following (Source: *RedSeer Report*):

- We were ranked second amongst digital-first BPC companies in India in terms of gross profit margins in Financial Year 2021.

- We were one of the two digital-first BPC companies in India with a positive adjusted EBITDA margin (defined as EBITDA adjusted for a change in fair valuation of preferences shares, share based payment expenses (equity settled) and share based payment expenses (cash settled)) in Financial Year 2021.

Our success is driven by our differentiated business model that is built upon principles of consumer centricity, agility, and technology, as depicted in the graphic below:



Brand Building and Product Innovation

We have developed a range of tools and capabilities that enable us to engage with our consumers and generate insights into new and emerging trends in the BPC market in India. Our consumer insights-led product innovation engine is an integral part of our business model and helps us conceptualize and develop new brand concepts, new products and new product ranges. We introduced 159 and 225 new SKUs in the BPC market in India during Financial Year 2022 and during the six months period ended September 30, 2022, respectively, which contributed to a 42.17% and 44.12% absolute increase in revenue from operations during the period, respectively, as compared to the preceding corresponding period.

We have a dedicated in-house innovation team, consisting of 45 members, as on September 30, 2022, that drives end-to-end ideation and execution of new products launches. This team collaborates with large ingredient suppliers to co-create formulations. For manufacturing, we have set up an asset-light contract manufacturing model that gives us the benefit of economies of scale at small batch sizes while also providing the flexibility to scale up production as needed.

Distribution

We make our products available to our customers through omni-channel distribution networks across both online and offline touchpoints. We strategically leverage our presence on online channels (both DTC platforms and e-commerce marketplaces) during the early stages of a brand or products lifecycle to generate trials amongst early adopters, engage with consumers directly and test for product market fit. Once a product or brand reaches a mature stage, we selectively introduce such products and brands in offline stores to drive penetration amongst a larger consumer base. This digital-first approach in our distribution strategy enables us to incorporate valuable customer feedback across new product launches and thereby efficiently scale new products. Moreover, we actively leverage insights on consumer preference from our DTC channel at a pin-code level to define our offline store expansion strategy and our merchandising and portfolio rationalization strategy. We have established scale across both online and offline channels and recorded the highest revenue from offline channels among digital-first BPC companies in India in Financial Year 2022 (Source: *RedSeer Report*).

Marketing

We have adopted a data-led contextualised marketing strategy to drive consideration and purchase for our brands and products. We leverage data-driven insights to develop meaningful and authentic content for our consumers not only through our own in-house studio but also through a community of influencers on digital platforms. Further, we leverage our data ecosystem to attempt to understand consumers across demographic, behavioural, and transactional variables. We utilize this data to segment our user base into micro-cohorts and deliver a more personalized user experience based on consumer's specific needs and preferences.

Our sharp focus on the BPC category coupled with our strengths in brand building, innovation, distribution, and marketing have positioned us well and enabled us to establish a strong presence in the Indian BPC market.

Significant Factors Affecting Our Results of Operations

Our ability to capitalize on trends in the beauty and personal care market in India

Millennials in India are becoming increasingly conscious of their BPC needs and the brands they consume (*Source: RedSeer Report*). Millennials respond better to content that is meaningful and contextualized to their specific needs and preferences as compared to traditional content formats that are based on brand or product pitches (*Source: RedSeer Report*). The market for

BPC products in India is expected to grow from approximately ₹17,000 million in 2021 to approximately ₹30,000 million in 2026 at a CAGR of approximately 12%, which is among the highest within the broader retail categories and faster than other retail categories such as food and grocery, jewellery and watches, fashion, consumer electronics, home and living, and pharmacy and wellness in India during this period (*Source: RedSeer Report*). We believe that we understand evolving consumer preferences and industry whitespaces and are well positioned to benefit from the expected growth in the market (*Source: RedSeer Report).* We believe this has contributed significantly to the demand for our products.

Established in 2016, Mamaearth is our flagship brand that focuses on developing toxin-free beauty products made with natural ingredients. Initially introduced as a natural ingredients-led brand with baby care products inspired from traditional DIY beauty recipes, Mamaearth has since developed into an established BPC platform brand with products across baby care, hair care, face care, body care, hair color and fragrances. We have been successful in achieving growth in the sales of products under the Mamaearth brand, which has contributed significantly to the growth in our revenue from operations over prior periods, from ₹1,097.84 million for Financial Year 2020 to ₹4,599.90 million, ₹9,434.65 million and ₹7,227.35 million in Financial Years 2021 and 2022 and the six months period ended September 30, 2022, respectively.

While we have successfully identified and captured whitespaces through Mamaearth, we aim to continuously identify and capture whitespaces through our newer brands and products as well. For example, in Financial Year 2022, while sales of our products under our flagship Mamaearth brand continued to contribute a substantial majority of our revenue from operations, we were also able to scale up our The Derma Co. brand, which was launched in 2020, and launch our Aqualogica and Ayuga brands in 2021. See " – *Continued innovation and development of new product categories, including through strategic acquisitions*" below. However, a failure to anticipate, identify or react swiftly to new and changing trends or desired consumer preferences may lead to lower sales of our products and loss of market share. For details, see "*Risk Factors – Internal Risk Factors – If we fail to identify and effectively respond to changing consumer preferences and spending patterns or changing beauty and personal care trends in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected* " on page 35.

Our ability to increase wallet share and repeat orders from existing customers and attract new consumers in a cost-efficient manner

We have grown our revenue from operations at a CAGR of 193.15% between Financial Years 2020 and 2022 (from ₹1,097.84 million in Financial Year 2020 to ₹9,434.65 million in Financial Year 2022), while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 13% (*Source: RedSeer Report*).This reflects the market acceptance and popularity of our products. Our key focus is to increase wallet share (i.e., the amount that an existing customer spends on our brands) and repeat orders from our existing customers (by providing them with newer brands and innovative products) and attracting new consumers to our brands and products in a cost-efficient manner.

During prior periods, we have been able to increase sales volumes of products of our flagship brand, Mamaearth, as well as products of newer brands such as The Derma Co., Aqualogica, Ayuga, BBlunt and Dr Sheth's, across various categories. Increases in our sales volumes have contributed significantly to the increase in our revenue from operations. For Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, our number of units delivered (across all our brands) was 4.64 million, 18.51 million, 45.02 million and 36.43 million, respectively, representing a volume growth of 298.42%, 143.30% and 61.81% for Financial Years 2021 and 2022 and the six months period ended September 30, 2022, respectively. We aim to further grow our sales volumes by acquiring new consumers and cross-selling new products to existing customers.

In order to continue to increase the wallet share and repeat orders from existing customers and attract new consumers in a cost-efficient manner, it is important for us to maintain the quality, trustworthiness and authenticity of our brands and products, continue to innovate and develop new product categories. Our ability to continue to attract new customers depends on, among other things, our ability to successfully communicate our brand propositions to consumers. Further, our ability to develop new brand concepts and new products depends on, among other things, our ability to successfully develop a range of tools and capabilities that enable us to continuously engage with consumers and generate insights into new and emerging trends in the BPC market in India. Moreover, our overall performance also depends on our ability to augment our reach across markets in India and overseas, and increase awareness of our brands and products. We believe that the strength of our brands, including our flagship brand, Mamaearth, will enable us to continue to expand across categories and channels, thereby allowing us to deepen relationships with consumers and expand our access to new consumers and markets. In a short period of time since its launch in 2016, Mamaearth became India's most-searched BPC brand on Google Trends between January 2020 and November 2022 (*Source: RedSeer Report*).

Further, as we expand our consumer base, it is important for us to do so in a cost-efficient manner by gradually lowering our consumer acquisition costs. For further details, see "— *Continuing to invest in marketing, while also driving marketing efficiency*" on page 294 below.

Continued innovation and development of new product categories, including through strategic acquisitions

Innovation and new product development are important for our growth. In order to continue to offer consumers new and varied products, we focus on further improving our existing products and conceptualizing new products across existing product categories we service, as well as new product categories, that can be included in our overall portfolio. Over the last five years, we have developed capabilities that enable us to replicate our success with Mamaearth across newer brands. Based on these capabilities, we have built a "House of Brands" architecture with a portfolio of six brands in the BPC space, each having its own value proposition. New product and brand launches have contributed to an increase in our revenue from operations. During Financial Years 2021 and 2022, and the six months period ended September 30, 2022, new product launches contributed to a 39.75%, 42.17% and 44.12% absolute increase in revenue from operations during the period, respectively, as compared to the preceding corresponding period. We calculate the contribution of new product launches to increase in revenue by dividing revenue from operations arising from sales of new product launches in a particular Financial Year by the increase in overall revenue from operations from the previous Financial Year to that Financial Year. We continue to focus on enhancing our product portfolio by continuing to explore additional products that can be integrated into our existing portfolio of brands.

We have developed specialized in-house tools that help us identify consumer trends which in turn facilitates our development of new product categories. For example, we leverage an in-house social platform to enable us to capture consumer sentiments and identify emerging trends and propositions. This in-house social platform has helped us in identifying emerging propositions such as rice water for frizzy hair. Further, our in-house market research and competitive intelligence platform tracks our market share movements across a number of BPC sub-categories and a long range of ingredient spaces and price points. This in-house market research and competitive intelligence platform has helped us identify growing BPC sub-categories, ingredients, value propositions and price points that are gaining traction with consumers. For details, please see "*Our Business – Competitive Strengths — Consumer-centric product innovation*" on page 144.

Moreover, in order to enhance our functional capabilities or add complementary propositions to our platform of brands, we have historically pursued strategic acquisitions in the BPC industry in India. For instance, in the last two years, we completed the acquisitions of Dr. Sheth's, BBlunt and Momspresso, to expand our portfolio of brands and product offerings and capabilities. We continue to evaluate select acquisition opportunities, particularly to supplement our market position, product offerings across price points, functional capabilities and channels. For details, see "*Risk Factors – Internal Risk Factors – We may not be able to successfully identify and conclude acquisitions, or manage the integration of or harness synergies from acquired businesses, or the performance of such acquired businesses may be below our expectations, any of which may adversely affect our business, results of operations and financial condition.*" on page 44.

Our omnichannel distribution channel mix and the continued growth of our offline channel

We are present across both online and offline consumer touch points through our omnichannel network, being present wherever our consumers intend to shop, thus enhancing convenience and accessibility for them. Our online distribution channel covers our direct-to-consumer websites and applications and sales through e-commerce marketplaces, whereas our offline distribution channel consists of general trade channels and modern trade retail channels, and is supplemented by our 35 EBOs across India as of September 30, 2022. Commencing from Financial Year 2021, we have expanded our offline distribution channel, by increasing the number of stores covered by our distribution network and the number of sales staff employed by us. As a result, the proportion of revenue derived from our offline channel has increased over Financial Year 2021, Financial Year 2022 and the six months period ended September 30, 2022. For the six months period ended September 30, 2022, our general trade channel included 219 distributors and 230 sub-stockists, whereas our modern trade channel included 30 retail chains, and we had 35 EBOs. The expansion of the offline distribution network allows us to expand our consumer base. It is critical for us to strategically leverage the offline channel to drive household penetration for mainstream BPC categories such as shampoos, hair oils and face wash. We also plan to serve our consumers through our EBO network to enhance our overall brand imagery. Given that the sale of BPC products through offline channels tends to be more profitable as compared to online channels (*Source: RedSeer Report*), expansion into offline channels will help improve the overall margin profile of our business.

For Financial Years 2020, 2021, and 2022 and the six months period ended September 30, 2022, our revenue from offline channels across all our brands amounted to ₹99.41 million, ₹856.97 million, ₹2,723.38 million and ₹2,557.62 million, respectively, representing 9.06%, 18.63%, 28.87% and 35.39% of our revenue from operations, respectively, and our revenue from online channels across all our brands amounted to ₹998.43 million, ₹3,742.93 million, ₹6,595.34 million and ₹4,291.15 million, respectively, representing 90.94%, 81.37%, 69.91% and 59.37% of our revenue from operations, respectively. We follow a 'digital-first' omnichannel approach, which entails launching and testing new brands or products on our direct-to-consumer and e-commerce channels first, through which we are able to test product-market fit for our new brands and products and then selectively introduce them in offline stores, where appropriate. We leverage insights from our online channels to optimize decision making in offline retail in aspects such as store expansion strategy, regional prioritization, merchandise planning, planogramming and trade marketing.

Continuing to invest in marketing, while also driving marketing efficiency

To grow our business, we intend to continue to invest in marketing, which will lead to higher brand recall and acquisition of new customers for existing brands as well as any new brands that we may launch in the future. We follow a consumer centric and data-led contextualized approach to marketing, and continuous two-way engagement with our consumers is an integral part of our business model. For further details, please see "*Our Business – Competitive Strengths – Data-driven Contextualized Marketing*" on page 146. It is important for us to maintain reasonable costs for our marketing efforts and that are relative to the value we expect to derive from our consumers. Our advertisement expenses were ₹458.43 million, ₹1,779.38 million, ₹3,914.74 million and ₹2,719.90 million, constituting 41.76%, 38.68%, 41.49% and 37.63% of our total revenue from operations for Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, respectively. We expect to continue investing in advertising and sales promotion activities such as television advertising, celebrity endorsements, influencer and digital marketing, to increase brand awareness in order to achieve higher brand recall and improved customer conversion.

Ability to achieve benefits from economies of scale

Our ability to derive benefits of economies of scale are key to improving our margins and profitability. We procure our products from various contract manufacturers, and during the six months period ended September 30, 2022, we sourced our products from 37 contract manufacturers. We choose between different contract manufacturers within our procurement network to manufacture a particular product based on, among other things, formulation capabilities for the specific product, facilities, production capacities, and product quality. With our increasing scale, our network of contract manufacturers is also able to enjoy the benefits of economies of scale across our procurement value-chain, contributing to cost-efficiencies for us. Further, as our procurement function is integrated across all our brands, this in turn results in cost efficiencies for new brands introduced by us. For instance, an integrated procurement network across Mamaearth and our new brands leads to economies of scale advantage for the new brands despite operating at a much smaller revenue base. As our business continues to scale, we intend to continue deriving economies of scale through our integrated procurement network. Between Financial Years 2020 and 2022, our gross profit margins have improved by 3.46% from 66.50% to 69.96%, respectively. For details, see "*Our Business — Overview — Certain of Our Operating and Financial Metrics*". This was driven by scale advantage resulting in lower cost of goods sold, specifically for our ingredient ranges such as onion and *ubtan* for our flagship brand, Mamaearth. Our freight and forwarding charges and advertisement expense as a ratio of revenues have also decreased over prior periods. For Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, our freight and forwarding charges aggregated to ₹150.20 million, ₹543.53 million, ₹919.07 million and ₹702.69 million, respectively, and our freight and forwarding charges as a ratio of revenue from operations was 13.68%, 11.82%, 9.74% and 9.72%, respectively. Similarly, for Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, our advertisement expenses aggregated to ₹458.43 million, ₹1,779.38 million, ₹3,914.74 million and ₹2,719.90 million, respectively, and our advertisement expense as a ratio of revenue from operations was 41.76%, 38.68%, 41.49% and 37.63%, respectively. For the Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, our restated profit/(loss) before tax was ₹(4,280.26) million, ₹(13,246.09) million, ₹224.39 million and ₹91.28 million, respectively, and our restated profit/(loss) for the period/years was ₹(4,280.26) million, ₹(13,322.15) million, ₹144.43 million and ₹36.67 million, respectively. Our Adjusted EBITDA has also improved over prior periods. Our Adjusted EBITDA amounted to ₹(71.92) million, ₹313.64 million, ₹302.49 million and ₹272.11 million for Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022. For a reconciliation of our Adjusted EBITDA to profit/(loss) for the period/year, please see " *– Non-GAAP Measures – EBITDA and Adjusted EBITDA*" on page 319.

Continuing to invest in our human resources

Our employees are critical to us maintaining a competitive position in our industry. As of September 30, 2022, we had 1,050 employees. For further details, see "*Our Business — Description of Our Business — Employees*" on page 161. We have invested heavily in our human resources in the past three financial years, in particular towards increasing our senior executive personnel, middle executive personnel, offline channel sales employees and employees in technology related functions. Our employee benefits expenses amounted to ₹89.02 million, ₹277.59 million, ₹788.46 million and ₹777.87 million during the Financial Years 2020, 2021 and 2022, and the six months period ended September 30, 2022, respectively. Moving forward, we expect to continue incurring employee benefit expenses in the short to medium term, as we continue to build and strengthen our organisational capabilities.

Significant Accounting Policies

Our restated financial information comprises of:

(a) Our Restated Ind AS Summary Statement of Assets and Liabilities as at March 31, 2022 and September 30, 2022, the Restated Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Ind AS Summary Statement of Changes in Equity and the Restated Ind AS Summary Statement of Cash Flows for the year ended March 31, 2022 and period ended September 30, 2022 and the summary of significant accounting policies and explanatory notes ("**Restated Ind AS Consolidated Summary Statements**");

(b) Restated Standalone Ind AS Summary Statement of Assets and Liabilities as at March 31, 2021 and March 31, 2020, Restated Standalone Ind AS Summary Statement of Profit and Loss (including Other Comprehensive Income/Loss), Restated Standalone Ind AS Summary Statement of Changes in Equity and the Restated Standalone Ind AS Summary Statement of Cash Flows for the year ended March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes ("**Restated Ind AS Standalone Summary Statements**"). We did not have any subsidiaries, associates and joint ventures for the year ended March 31, 2021 and March 31, 2020 and accordingly the Restated Ind AS Summary Statements for the year ended March 31, 2021 and March 31, 2020 represents the restated standalone financial information.

The paragraph (a) and (b) above are collectively referred to as the "**Restated Ind AS Summary Statements**".

These Restated Ind AS Summary Statements have been prepared by our management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**"), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in this Draft Red Herring Prospectus in connection with the Offer, prepared by us in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**") (the "**Guidance Note**"); and
(d) E-mail dated June 24, 2022 received from the BRLMs, which confirms that we should prepare financial statements in accordance with Indian Accounting Standards (Ind AS) and that these financial statements are required for all the three years including stub period, based on email dated October 28, 2021 from Securities and Exchange Board of India ("**SEBI**") to Association of Investment Bankers of India ("**SEBI Letter**").

These Restated Ind AS Summary Statements have been compiled from:

(d) Our audited Ind AS consolidated financial statements as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable ("**Ind AS**"), which was approved by the Board of Directors at their meeting held on August 31, 2022;

(e) Our audited Ind AS interim consolidated financial statements as at and for the six-month period ended September 30, 2022 prepared in accordance with Ind AS 34 as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable ("**Ind AS 34**"), which have been approved by the Board of Directors at their meeting held on December 15, 2022; and

(f) Our audited special purpose Ind AS standalone financial statements as at and for the years ended March 31, 2021 and March 31, 2020, which were prepared by us after taking into the consideration the requirements of the SEBI Letter and were approved by our Board of Directors at their meeting held on December 15, 2022 (the "**Special Purpose Ind AS Standalone Financial Statements**");

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, we voluntarily adopted March 31, 2022 as reporting date for first time adoption of Ind AS and consequently April 1, 2020 as the transition date for preparation of our statutory financial statements as at and for the year ended March 31, 2022. The financial statements as at and for the year ended March 31, 2022, were the first financial statements prepared in accordance with Ind AS. Up to the financial year ended March 31, 2021, we have prepared our financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("**Indian GAAP**" or "**Previous GAAP**") due to which the Special Purpose Ind AS Standalone Financial Statements were prepared as per the SEBI Letter.

The Special Purpose Ind AS Standalone Financial Statements are not statutory financial statements under the Companies Act.

The Special Purpose Ind AS Standalone Financial Statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications including the revised Schedule III disclosures followed as at and for the six months period ended September 30, 2022 pursuant to the SEBI letter.

The Restated Ind AS Summary Statements include financial statements and other financial information in relation to our Subsidiaries, as listed below, which are audited by other Auditors:

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Just4Kids Services Private Limited CIN No.: U80302HR2010PTC107239	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022, December 24, 2021 (Date of Acquisition) to March 31, 2022.
Bhabani Blunt Hairdressing Private Limited CIN No.: U93020MH2004PTC148187	Subsidiary	MM Nissin and Co LLP	March 16, 2022 (Date of Acquisition) to March 31, 2022.
	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022.
B:Blunt-Spratt Hairdressing Private Limited CIN No.: U93000KA2011PTC058323	Subsidiary	Shivarama Iyer & Associates	March 16, 2022 (Date of Acquisition) to March 31, 2022.
	Subsidiary	Sharp & Tannan	Six-month period ended September 30, 2022.

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Fusion Cosmeceutics Private Limited CIN No.: U24230MH2003PTC141101	Subsidiary	Sharp & Tannan	April 6, 2022 (Date of Acquisition) to September 30, 2022.

Basis of Consolidation

The Restated Ind AS Summary Statements comprise of our financial information as at September 30, 2022 and March 31, 2022. There is no consolidation for the year ended March 31, 2021 and March 31, 2020 as we did not have any subsidiaries, joint venture or associates. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:

- 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 our involvement with the investee; and
- the ability to use our 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 we have less than a majority of the voting or similar rights of an investee, we consider 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;
- Our voting rights and potential voting rights; and
- The size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

We re-assess whether or not we control 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 we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Ind AS Summary Statements from the date we gain control until the date we cease to control the subsidiary.

The Restated Ind AS Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If any of our subsidiaries use accounting policies other than those adopted in the Restated Ind AS Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's restated summary statements in preparing the restated summary statement to ensure conformity with our accounting policies.

Consolidation procedure

We combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Restated Ind AS Summary Statements at the acquisition date.

We offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Our business combinations policy explains how to account for any related goodwill.

We eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between our entities (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in Restated Ind AS Consolidated Summary Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent 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 our accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between our companies 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 we lose control over a subsidiary, we:

- Derecognize the assets (including goodwill) and liabilities of the subsidiary;
- Derecognize the carrying amount of any non-controlling interests;
- Derecognize the cumulative translation differences recorded in equity;

- Recognize the fair value of the consideration received;
- Recognize the fair value of any investment retained;
- Recognize any surplus or deficit in profit or loss; and
- Reclassify the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if we had directly disposed of the related assets or liabilities.

Current versus non-current classification

We present assets and liabilities in the Restated Ind AS Summary Statement of Assets and Liabilities based on current/non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

We classify all other liabilities as non-current.

We classify deferred tax liabilities as non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. We have identified twelve months as our operating cycle.

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the Restated Ind AS Summary Statement of Profit and Loss.

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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 we have access at that date. The fair value of a liability reflects our 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 Restated Ind AS Summary Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the Restated Ind AS Summary Statements on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Business combination

In accordance with Ind AS 103, we account for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to us. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

Goodwill

The excess of the cost of acquisition over our share in the fair value of the acquiree's identifiable assets and liabilities is recognized as goodwill. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized 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 recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or our share-based payment arrangements 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.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When we acquire a business, we assess 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 recognized in Restated Ind AS Summary Statement of Profit or Loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized 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 recognized in Restated Ind AS Summary Statement of Profit or Loss.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, we re-assess 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 recognized 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 recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our 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 recognized in the Restated Ind AS Summary Statement of Profit or Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Liability for Non-Controlling Interests

Liability for put options issued to non-controlling interests which do not grant us present access to ownership interests is recognized 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 derecognized and the difference between the derecognized and present value of the redemption based on the valuation, which is recorded as a financial liability, is accounted for as an equity transaction.

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. 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, we depreciate them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the Restated Ind AS Summary Statement of Profits and Losses as incurred.

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

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 recognized in the Restated Summary Statement of Profits and Losses when the asset is derecognized.

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

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

Leasehold improvements are amortized on a straight line basis over the 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 recognized is derecognized 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 Restated Summary Statement of Profits and Losses when the asset is derecognized.

The useful lives have been determined based on managements' internal technical evaluation 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 asset’s 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.

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 amortization and accumulated impairment losses. Internally generated intangibles are not capitalized 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Restated Summary Statement of Profits and Losses unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, 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 derecognized 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 Restated Summary Statement of Profits and Losses.

A summary of the policies applied to our intangible assets is, as follows:

Intangible assets	Useful lives	Amortization method used	Internally generated or acquired
Franchise agreements	5 years	Straight Line	Acquired
Non-compete agreement	3 years	Straight Line	Acquired
Trademark	7 years	Straight Line	Acquired
Brand	Indefinite*	No Amortization	Acquired
Design and Formulation	0.5-1 years	Straight Line	Acquired
Software	1-6 years	Straight Line	Acquired
Goodwill	Indefinite*	No Amortization	Acquired

** Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.*

Impairment of non-financial assets

We assess, 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, we estimate 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.

We base our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our 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, we extrapolate 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 we operate, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Restated Summary Statement of Profits and Losses, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized 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 recognized impairment losses no longer exist or have decreased. If such indication exists, we estimate the asset's or CGU's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Restated Summary Statement of Profits and Losses 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 recognized. 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.

Inventories

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

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

Revenue recognition

Revenues are recognized when, or as, control of a promised goods or services transfers to client, in an amount that reflects the consideration to which we expect to be entitled in exchange for transferring those goods or services. To recognize 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) recognize revenues when a performance obligations is satisfied.

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

Revenue from Sale of products

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

Revenue from sale of services

Revenue from Hair Styling services is recognized on rendering services. Revenue from franchises is recognized as per the terms of the agreements. The amount recognized is at the predetermined price, the collection of which is reasonably certain. Revenue from educating students in hair styling is recognized on a time proportion basis. Revenue from listing services is received in the form of fees which is recognized prorate over the subscription / advertising agreement, usually ranging between one to twelve months.

Variable consideration

If the consideration in a contract includes a variable amount (discounts and incentives), we estimate 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 recognized 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

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

Volume rebates

We apply 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. We then apply the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability for the expected future rebates (i.e., the amount not included in the transaction price).

Customer wallet points

We have 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 recognized as a contract liability until the points are redeemed. Revenue is recognized upon redemption of points by the customer.

When estimating the stand-alone selling price of the loyalty points, we consider the likelihood that the customer will redeem the points. We update our estimates of the points that will be redeemed on each reporting date and any adjustments to the contract liability balance are charged against revenue.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Restated Ind AS Summary Statement of Profits and Losses.

Contract balances

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

Trade receivables

A trade receivable is recognized 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 recognized if a payment is received or a payment is due (whichever is earlier) from the customer before we transfer the related goods or services. Contract liabilities are recognized as revenue when we perform under the contract (i.e., transfers control of the related goods or services to the customer).

Leases

We assess 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.

We as a lessee

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

Right-of-use assets

We recognize 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 recognized, 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:

Asset	Useful lives (years)
Office buildings and warehouses	2-9 years
Computers and peripherals	3 years

If ownership of the leased asset is transferred to us 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, we recognize 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 us 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 recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use 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.

We have adopted Ind AS 116 based on the modified retrospective approach wherein the present value of remaining lease payments as on the date of transition is recognized as the lease liability and the right-of-use asset is considered equal to the value of discounted lease liability.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to our 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 recognized as expense on a straight-line basis over the lease term.

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 recognized 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 Restated Ind AS Summary Statement of Assets and Liabilities.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. We measure the expected cost of such absences as the additional amount that we expect to pay as a result of the unused entitlement that has accumulated at the reporting date. We treat 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 Restated Ind AS Summary Statement of Profit and Loss and are not deferred. We present the accumulated leave liability as a current liability in the Restated Ind AS Summary Statement of Assets and Liabilities, since we do not have an unconditional right to defer our settlement for twelve months after the reporting date.

Post-employment obligations

We operate the following post-employment schemes:

(i) defined benefit plans - gratuity, and
(ii) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognized in the Restated Ind AS Summary Statement of Assets and Liabilities 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 recognized in the period in which they occur, directly in OCI. They are included in retained earnings in the Restated Ind AS statement of changes in equity and in the Restated Ind AS Summary Statement of Assets and Liabilities. 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 recognized immediately in Restated Ind AS Summary Profit or Loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme is the defined contribution plan. We have no obligation, other than the contribution payable. We recognize contribution payable to these schemes as an expenditure, when an employee renders the related service.

Employee share based payments

Our stock option plan is classified as equity settled transaction based on the constructive obligation for settlement of option in equity.

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

That cost is recognized, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Ind AS Summary Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognized 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 recognized 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 restated profit or loss.

Our employees are granted share appreciation rights ("**SAR**"), settled in cash up to May 30, 2022 and with effect from 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 derecognized on that date and the difference between the carrying amount of the liability derecognized and the amount of equity recognized on the modification date is recognized immediately in Restated Ind AS Summary Statement of Profit and Loss.

The dilutive effect of outstanding employee stock options is reflected as additional share dilution in the computation of diluted earnings per share.

Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 recognized on the trade date, i.e. the date that we commit to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortized cost;
- Debt instruments at Fair Value Through Other Comprehensive income ("**FVTOCI**");
- Debt instruments and equity instruments at Fair Value Through Profit and Loss ("**FVTPL**"); and
- Equity instruments measured at Fair Value Through Other Comprehensive Income ("**FVTOCI**").

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate ("**EIR**") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Restated Ind AS Summary Statement of Profit and Loss. The losses arising from impairment are recognized in the Restated Ind AS Summary Statement of Profit and Loss. This category generally applies to trade and other receivables.
A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
(ii) The asset's contractual cash flows represent SPPI.

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS 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 we decide to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Restated Ind AS Summary Statement of Profit and Loss, even on sale of the investments. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Ind AS Summary 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 derecognized (i.e. removed from the Restated Ind AS Summary Statement of Assets and Liabilities) when:

- The rights to receive cash flows from the asset have expired; or
- We have transferred our rights to receive cash flows from the asset and either (a) we have transferred substantially all the risks and rewards of the asset, or (b) we have 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, we apply expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. We follow 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require us to track changes in credit risk. Rather, it recognizes 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 recognizing 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 us in accordance with the contract and all the cash flows that we expect to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Restated Ind AS Summary Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Restated Ind AS Summary Statement of Profit and Loss.

For assessing increase in credit risk and impairment loss, we combine 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 recognized initially at fair value. Our financial liabilities include trade and other payables, and lease liabilities.

Subsequent measurement

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

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

After initial recognition, gains and losses are recognized in the Restated Ind AS Summary Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognized 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 recognized in the Restated Ind AS Summary Statement of Profit and Loss.

Reclassification of financial assets and liabilities

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when we either begin or cease to perform an activity that is significant to our operations. If we reclassify financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Restated Ind AS Summary Statement of Assets and Liabilities, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

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 recognized outside the Restated Ind AS Summary Statement of Profit and Loss is recognized outside the Restated Ind AS Summary 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 we have used or plan to use in our income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

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

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

- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiary 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 recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside the Restated Ind AS Summary Statement of Profit and Loss is recognized outside the Restated Ind AS Summary 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.

Segment reporting

Identification of segments

An operating segment is our component that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with our other components), whose operating results are regularly reviewed by our chief operating decision maker to make decisions about resources to be allocated to the segment and assess our performance, and for which discrete financial information is available. Our operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Our operating businesses are organized and managed separately according to the nature of products and services with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the location in which the customers are situated.

Segment accounting policies

We prepare our segment information in conformity with the accounting policies adopted for preparing and presenting our restated summary statements as a whole.

The Board of directors is the Chief Operating Decision Maker and monitors the operating results of our business units separately for the purpose of making decisions about resource allocation and performance assessment.

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.

Provisions

Provisions are recognized when we have 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 we expect some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Restated Ind AS Summary 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 recognized as a finance cost.

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

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 our control or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. We do not recognize a contingent liability but disclose its existence in the Restated Ind AS Summary Statements.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Summary Statement of Assets and Liabilities and the Restated Ind AS Summary Statement of Cash Flows comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Restated Ind AS Summary 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 our cash management.

Significant accounting judgements, estimates and assumptions

The preparation of the Restated Ind AS Summary 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 our exposure to risks and uncertainties includes:

- Capital management Note 43;
- Financial risk management objectives and policies Note 42; and
- Sensitivity analyses disclosures Notes 35 and 42.

We base our assumptions and estimates on parameters available when the Restated Ind AS Summary Statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond our control. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Restated Ind AS Summary 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, we are 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. We use the most likely amount methodology to determine the variable consideration.

We determine and update our 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 our past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

We determine 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. We apply judgement and consider 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, we reassess the lease term if there is a significant event or change in circumstances that is within our control and affects our ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, we use 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 we 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. We estimate the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Property, plant and equipment

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

Impairment of financial assets

Provision for expected credit loss on trade receivables. The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. Our 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 we are 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 recognized by us.

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 recognized in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Fair value measurement of financial instruments

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

Key Components of Our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Total Income

Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations consists of (i) revenue from sale of products, representing the revenue we generated from the sale of products, net of discounts, incentives, duties and taxes under our six brands; and (ii) revenue from sale of services, representing the revenue we generated from content creation, influencer marketing and from our salon services.

Other income. Other income primarily consists of interest income on investments and deposits with bank, unwinding of discount on security deposits, foreign exchange fluctuation gain (net), fair value gain on investments measured at FVTPL, gain on sale of investments measured at FVTPL, and other miscellaneous income.

Expenses

Expenses include purchases of traded goods, increase in inventories of traded goods, employee benefits expenses, depreciation and amortisation expenses, finance costs, other expenses and change in fair valuation of preference shares.

Purchases of traded goods. Purchases of traded goods consist of the cost of goods purchased by us from contract manufacturers engaged by us to manufacture products for our brands.

Changes in inventories of traded goods. Changes in inventories of traded goods consists of net increases or decreases in inventories of traded goods.

Employee benefits expenses. Employee benefits expenses consists of salaries, wages and bonus, contribution to provident fund, gratuity, share-based payment expenses and staff welfare expenses.

Depreciation and amortisation expense. Depreciation and amortisation expense consists of depreciation of property, plant and equipment, depreciation of right-of-use-assets and amortisation of intangible assets.

Finance costs. Finance costs consist of interest on lease liabilities, interest on borrowings from bank, other interest charges and bank charges.

Other expenses. Other expenses primarily consist of advertisement expense, sales commission, freight and forwarding charges, software support expenses, customer acquisition cost, legal and professional charges and other miscellaneous expenses.

Tax expense

Tax expense consists of current tax and deferred tax charges.

Our Results of Operations

The following table sets forth the selected financial data from our Restated Ind AS Summary Statement of Profit and Loss for the Financial Years 2020, 2021 and 2022, and the six months period ended September 30, 2022, the components of which are also expressed as a percentage of total income for such period/years:

Particulars	For the six months period ended September 30, 2022		For the Financial Years					
			2022		2021		2020	
	₹ (in millions)	% of Total Income	₹ (in millions)	% of Total Income	₹ (in millions)	% of Total Income	₹ (in millions)	% of Total Income
Income								
Revenue from operations	7,227.35	98.72%	9,434.65	97.83%	4,599.90	97.43%	1,097.84	96.16%
Other income	93.34	1.28%	208.80	2.17%	121.11	2.57%	43.83	3.84%
Total income (I)	**7,320.69**	**100.00%**	**9,643.45**	**100.00%**	**4,721.01**	**100.00%**	**1,141.67**	100.00%
Expenses								
Purchases of traded goods	2,695.78	36.82%	3,047.68	31.60%	1,607.77	34.06%	490.38	42.95%
Increase in inventories of traded goods	(568.61)	(7.77)%	(213.29)	(2.21)%	(280.71)	(5.95)%	(122.61)	(10.74)%
Employee benefits expenses	777.87	10.63%	788.46	8.18%	277.59	5.88%	89.02	7.80%
Depreciation and amortization expenses	110.42	1.51%	68.95	0.71%	17.12	0.36%	6.46	0.57%
Finance costs	30.66	0.42%	30.05	0.31%	9.75	0.21%	0.49	0.04%
Other expenses	4,183.29	57.14%	5,697.21	59.08%	2,723.15	57.68%	719.51	63.02%
Change in fair valuation of preference shares	—	—	—	—	13,612.43	288.34%	4,238.68	371.27%
Total expenses (II)	**7,229.41**	**98.75%**	**9,419.06**	**97.67%**	**17,967.10**	**380.58%**	**5,421.93**	**474.91%**
Restated profit/(loss) before tax (III = I – II)	**91.28**	**1.25%**	**224.39**	**2.33%**	**(13,246.09)**	**(280.58)%**	**(4,280.26)**	**(374.91)%**
Tax expenses								
Current tax	78.13	1.07%	64.11	0.66%	61.89	1.31%	—	—
Deferred tax charge/(credit)	(23.52)	(0.32)%	15.85	0.16%	14.17	0.30%	—	—
Total tax expenses (IV)	**54.61**	**0.75%**	**79.96**	**0.83%**	**76.06**	**1.61%**	**—**	**—**
Restated profit/(loss) for the period / year (V = III – IV)	**36.67**	**0.50%**	**144.43**	**1.50%**	**(13,322.15)**	**(282.19)%**	**(4,280.26)**	**(374.91)%**

Six months period ended September 30, 2022

Income

Total income. Total income was ₹7,320.69 million for the six months period ended September 30, 2022, primarily consisting of revenue from operations amounting to ₹7,227.35 million for the six months period ended September 30, 2022.

Revenue from operations. Revenue from operations was ₹7,227.35 million for the six months period ended September 30, 2022, primarily consisting of sale of products amounting to ₹6,848.33 million for the six months period ended September 30, 2022.

Other income. Other income was ₹93.34 million for the six months period ended September 30, 2022, primarily consisting of interest income on investments amounting to ₹36.52 million, which was primarily from bonds and debentures, and gain on sale of investments measured at FVTPL amounting to ₹32.42 million, which was primarily from mutual funds.

Expenses

Purchases of traded goods. Purchases of traded goods was ₹2,695.78 million for the six months period ended September 30, 2022.

Increase in inventories of traded goods. Increase in inventories of traded goods was ₹568.61 million for the six months period ended September 30, 2022. We had inventories aggregating to ₹671.38 million at the beginning of the six months period ended September 30, 2022 and inventories aggregating to ₹1,250.17 million at the end of the six months period ended September 30, 2022.

Employee benefits expense. Employee benefits expense was ₹777.87 million for the six months period ended September 30, 2022, primarily consisting of salaries, wages and bonus amounting to ₹607.73 million for the six months period ended September 30, 2022.

Depreciation and amortization expense. Depreciation and amortization expense was ₹110.42 million for the six months period ended September 30, 2022, primarily consisting of depreciation of right-of-use assets amounting to ₹63.45 million and amortisation of intangible assets amounting to ₹37.88 million for the six months period ended September 30, 2022.

Finance costs. Finance costs was ₹30.66 million for the six months period ended September 30, 2022, primarily consisting of interest on lease liabilities amounting to ₹25.23 million for the six months period ended September 30, 2022.

Other expenses. Other expenses were ₹4,183.29 million for the six months period ended September 30, 2022, primarily consisting of advertisement expense amounting to ₹2,719.90 million and freight and forwarding charges amounting to ₹702.69 million for the six months period ended September 30, 2022.

Change in fair valuation of preference shares. Change in fair valuation of preference shares was nil for the six months period ended September 30, 2022.

Tax expenses. Our total tax expenses were ₹54.61 million for the six months period ended September 30, 2022.

Restated profit for the year. As a result of the foregoing, we reported a restated profit of ₹36.67 million for the six months period ended September 30, 2022.

Financial Year 2022 compared to Financial Year 2021

Income

Total income. Total income increased by 104.27% to ₹9,643.45 million in Financial Year 2022 from ₹4,721.01 million in Financial Year 2021, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 105.11% to ₹9,434.65 million in Financial Year 2022 from ₹4,599.90 million in Financial Year 2021, primarily due to an increase in sale of products to ₹9,318.74 million in Financial Year 2022 from ₹4,599.90 million in Financial Year 2021.

This increase was primarily on account of an increase in demand and sales of products under our flagship Mamaearth brand, which contributed a substantial majority of our revenue from operations. Under the Mamaearth brand, we had higher sales of products across the face care, hair care, body care and baby categories (including from new products launched under the same brand during Financial Year 2022). Further, in Financial Year 2022, we also launched our Aqualogica and Ayuga brands, and sales of products under these brands (along with products under our The Derma Co. brand) also contributed a small proportion of our total sale of products for Financial Year 2022. In volume terms, our total units delivered (across all our brands) increased from 18.51 million in Financial Year 2021 to 45.02 million in Financial Year 2022, representing a 143.30% increase in total units delivered (across all our brands) for the same period.

In Financial Year 2022, we also expanded our offline distribution channel, which allowed us to access a wider consumer base, thereby contributing to the increased sale of our products during the year. Revenues from our offline and online channels across all our brands amounted to ₹2,723.38 million and ₹6,595.34 million, respectively in Financial Year 2022, representing 28.87% and 69.91% of our revenue from operations, respectively for the same period; as compared to ₹856.97 million and ₹3,742.93 million, respectively in Financial Year 2021, representing 18.63% and 81.37% of our revenue from operations, respectively for the same period.

Other income. Other income increased by 72.41% to ₹208.80 million in Financial Year 2022 from ₹121.11 million in Financial Year 2021, primarily due to an increase in interest income on investments to ₹54.41 million in Financial Year 2022 from ₹15.10 million in Financial Year 2021, which was primarily from bonds and debentures, an increase in interest income on deposits with bank to ₹11.45 million in Financial Year 2022 from ₹4.03 million in Financial Year 2021, an increase in gain on sale of investments measured at FVTPL to ₹43.46 million in Financial Year 2022 from ₹22.21 million in Financial Year 2021, which was primarily from mutual funds, and an increase in fair value gain on investments measured at FVTPL to ₹88.84 million for the Financial Year 2022 from ₹76.64 million in Financial Year 2021.

Expenses

Cost of goods sold. Our cost of goods sold increased by 113.58% to ₹2,834.39 million in Financial Year 2022 from ₹1,327.06 million in Financial Year 2021, primarily due to increases in purchases of traded goods and inventories of traded goods, as set forth below:

(i) Purchases of traded goods. Purchases of traded goods increased by 89.56% to ₹3,047.68 million in Financial Year 2022 from ₹1,607.77 million in Financial Year 2021, primarily due to an increase in the volume of traded goods purchased by us during Financial Year 2022 in line with the increase in sale of products during Financial Year 2022; and

(ii) *Increase in inventories of traded goods*. The increase in inventories of traded goods was ₹213.29 million in Financial Year 2022. We had inventories aggregating to ₹417.42 million at the beginning of Financial Year 2022 and inventories aggregating to ₹671.38 million at the end of Financial Year. This increase in inventory was due to higher purchases of products sold by us to support the greater scale of our business during Financial Year 2022.

Employee benefits expense. Employee benefits expense increased by 184.04% to ₹788.46 million in Financial Year 2022 from ₹277.59 million in Financial Year 2021, primarily due to an increase in salaries, wages and bonus to ₹560.61 million in Financial Year 2022 from ₹215.69 million in Financial Year 2021. This increase was mainly attributable to an increase in the number of senior management personnel during the year and also an increase in our sales force, as we expanded our offline distribution channel. Our total employees increased to 507 as of March 31, 2022 from 285 as of March 31, 2021. Further, salary increments with effect from June 2021 and higher annual bonus payments in Financial Year 2022 (as a result of a number of our employees achieving performance targets), and an increase in share-based payment expenses (equity settled) to ₹167.75 million in Financial Year 2022 from ₹41.54 million in Financial Year 2021 and an increase in share-based payment expenses (cash settled) to ₹20.15 million in Financial Year 2022 from nil in Financial Year 2021, also contributed to the increase in our employee benefits expense. The number of employees enrolled in our ESOP 2018 scheme increased to 58 employees as of March 31, 2022 from 26 employees as of March 31, 2021. Further, the number of employees enrolled in our SARs scheme increased to 369 employees as of March 31, 2022 from none as of March 31, 2021.

Depreciation and amortization expense. Depreciation and amortization expense increased by 302.75% to ₹68.95 million in Financial Year 2022 from ₹17.12 million in Financial Year 2021, primarily due to an increase in depreciation of property, plant and equipment to ₹7.56 million in Financial Year 2022 from ₹2.97 million in Financial Year 2021, an increase in depreciation of right-of-use-assets to ₹50.87 million in Financial Year 2022 from ₹14.14 million in Financial Year 2021 and an increase in amortization of intangible assets to ₹10.52 million in Financial Year 2022 from ₹0.01 million in Financial Year 2021. The increase in the depreciation of right-of-use-assets was mainly on account of new long-term leases for office space, new EBOs, and warehouses in Bangalore and Pataudi. The increase in the amortization of intangible assets was primarily on account of the acquisition of Just4Kids and BBlunt during the Financial Year 2022.

Finance Costs. Finance costs increased by 208.21% to ₹30.05 million in Financial Year 2022 from ₹9.75 million in Financial Year 2021, primarily due to increases in interest on lease liabilities to ₹25.75 million in Financial Year 2022 from ₹8.05 million in Financial Year 2021 and an increase in bank charges from ₹0.54 million in Financial Year 2021 to ₹3.25 million in Financial Year 2022. The increase in interest on lease liabilities was mainly on account of increased rent payable towards new office space, premises for our new EBOs and the additional warehouses leased during Financial Year 2022.

Other expenses. Other expenses increased by 109.21% to ₹5,697.21 million in Financial Year 2022 from ₹2,723.15 million in Financial Year 2021, primarily due to:

(i) an increase in advertisement expense by 120.01% to ₹3,914.74 million in Financial Year 2022, as compared to ₹1,779.38 million for the Financial Year 2021, mainly on account of increased expenditure towards traditional advertising and sales promotion activities such as television and print media advertising, and other digital and channel advertising and sales promotion activities such as collaborations with celebrity brand ambassadors, to promote and improve the visibility of our brands;

(ii) an increase in freight and forwarding charges by 69.09% to ₹919.07 million in Financial Year 2022 from ₹543.53 million in Financial Year 2021, mainly on account of an increase in sales through our online channel; and

(iii) an increase in sales commission by 113.63% to ₹286.88 million in Financial Year 2022 from ₹134.29 million in Financial Year 2021, mainly on account of an overall increase in sales through e-commerce marketplaces.

Change in fair valuation of preference shares. The was no change in fair valuation of preference shares during Financial Year 2022 as compared to ₹13,612.43 million in Financial Year 2021. On April 1, 2021, as the NCCCPS holders had agreed to waive the buy-back rights granted to them pursuant to their shareholders' agreement with us, there was no change in fair valuation of preference shares during Financial Year 2022. Thus, the change in fair valuation of preference shares was only incurred as a non-cash expense in Financial Years 2021 and 2020. For details relating to change in fair valuation of preference shares, see Note 1 to the table under "*— Our Results of Operations*" above.

Total Tax expenses. Our total tax expenses increased by 5.13% to ₹79.96 million for the Financial Year 2022 from ₹76.06 million for the Financial Year 2021, primarily due to higher current tax and deferred tax charge during the financial year. Our tax expenses for the Financial Year 2022 comprised a current tax of ₹64.11 million and a deferred tax charge of ₹15.85 million; while our tax expenses for the Financial Year 2021 comprised a current tax of ₹61.89 million and a deferred tax charge of ₹14.17 million. Our deferred tax charge for the Financial Year 2022 was higher than the Financial Year 2021 primarily on account of higher deferred tax charge in relation to intangible assets acquired and fair value gain on investments.

Restated profit/(loss) for the year. As a result of the foregoing, we reported a restated profit of ₹144.43 million in Financial Year 2022 as compared to a restated loss of ₹13,322.15 million in Financial Year 2021. During Financial Years 2021 and 2020, our restated profit/(loss) for the year was significantly impacted by the change in fair valuation of preference shares, which was only incurred as a non-cash expense in Financial Years 2021 and 2020. For details relating to change in fair valuation of preference shares, see Note 1 to the table under "*— Our Results of Operations"* above. For details on reconciliation of EBITDA and Adjusted EBITDA to restated profit/(loss) for the year, see " *— Non GAAP Measures – EBITDA and Adjusted EBITDA*" below.

Financial Year 2021 compared to Financial Year 2020

Income

Total income. Total income increased by 313.52% to ₹4,721.01 million in Financial Year 2021 from ₹1,141.67 million in Financial Year 2020, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 319.00% to ₹4,599.90 million in Financial Year 2021 from ₹1,097.84 million in Financial Year 2020, primarily due to an increase in sale of products to ₹4,599.90 million in Financial Year 2021 from ₹1,097.84 million in Financial Year 2020. This increase was mainly on account of an increase in demand and sales of products of our flagship Mamaearth brand across face care, hair care, body care and baby product categories (including new product launches under the same brand during Financial Year 2021). Further, in Financial Year 2021, we also launched our The Derma Co. brand, and sale of products under this brand contributed to a small percentage of our total sale of products for Financial Year 2021. In volume terms, our total units delivered (across all our brands) increased from 4.64 million in Financial Year 2020 to 18.51 million in Financial Year 2021, representing a 298.42% increase in total units delivered (across all our brands) for the same period.

In Financial Year 2021, we also commenced the expansion of our offline distribution channel, which allowed us to access a wider consumer base, as compared to Financial Year 2020, thereby contributing to the increased sale of our products during the year. Revenues from our offline and online channels across all our brands amounted to ₹856.97 million and ₹3,742.93 million, respectively in Financial Year 2021, representing 18.63% and 81.37% of our revenue from operations, respectively for the same period; as compared to ₹99.41 million and ₹998.43 million, respectively in Financial Year 2020, representing 9.06% and 90.94% of our revenue from operations, respectively for the same period.

Other income. Other income increased by 176.32% to ₹121.11 million in Financial Year 2021 from ₹43.83 million in Financial Year 2020, primarily due to an increase in fair value gain on investments measured at FVTPL to ₹76.64 million in Financial Year 2021 from ₹21.41 million in Financial Year 2020, an increase in interest income on investments to ₹15.10 million in Financial Year 2021 from nil in Financial Year 2020, which was primarily in bonds and debentures, and an increase in gain on sale of investments measured at FVTPL to ₹22.21 million in Financial Year 2021 from ₹14.89 million in Financial Year 2020, which was primarily in mutual funds.

Expenses

Cost of goods sold. Our cost of goods sold increased by 260.84% to ₹1,327.06 million in Financial Year 2021 from ₹367.77 million in Financial Year 2020, primarily due to increases in purchases of traded goods and inventories of traded goods, as set forth below:

(i) *Purchases of traded goods*. Purchases of traded goods increased by 227.86% to ₹1,607.77 million in Financial Year 2021 from ₹490.38 million in Financial Year 2020, primarily due to the increase in volume of traded goods purchased by us during Financial Year 2021 in line with the increase in sale of products during Financial Year 2021; and.

(ii) *Increase in inventories of traded goods*. The increase in inventories of traded goods was ₹280.71 million in Financial Year 2021. We had inventories aggregating to ₹136.71 million at the beginning of Financial Year 2021 and inventories aggregating to ₹417.42 million at the end of Financial Year 2021. This increase in inventory was due to higher purchases of products sold by us to support the greater scale of our business during Financial Year 2021.

Employee benefits expense. Employee benefits expense increased by 211.83% to ₹277.59 million in Financial Year 2021 from ₹89.02 million in Financial Year 2020, primarily due to an increase in salaries, wages and bonus aggregating to ₹215.69 million in Financial Year 2021 from ₹75.56 million in Financial Year 2020 and an increase in share-based payment expenses (equity settled) to ₹41.54 million in Financial Year 2021 from ₹6.54 million in Financial Year 2020. This was mainly attributable to an increase in the number of our middle management personnel during Financial Year 2021 and also the increase in the sales force for our offline distribution channel. Our total employees increased to 285 as of March 31, 2021 from 132 as of March 31, 2020. In addition, an increase in annual bonus payments arising from the successful achievement of performance targets during the financial year also contributed to the increase in our employee benefits expense.

Depreciation and amortization expense. Depreciation and amortization expense increased by 165.02% to ₹17.12 million in Financial Year 2021 from ₹6.46 million for the Financial Year 2020, primarily due to an increase in depreciation of right-of-use assets to ₹14.14 million in Financial Year 2021 from ₹3.36 million in Financial Year 2020. This was on account of entering into long-term leases for new office space during Financial Year 2021.

Finance costs. Finance costs increased by 1,889.80% to ₹9.75 million in Financial Year 2021 from ₹0.49 million in Financial Year 2020, primarily due to an increase in interest on lease liabilities to ₹8.05 million in Financial Year 2021 from ₹0.22 million for the Financial Year 2020 and an increase in bank charges to ₹0.54 million in Financial Year 2021 from ₹0.05 million in Financial Year 2020. The increase in interest on our lease liabilities was mainly on account of increased rent payable towards a new office space.

Other expenses. Other expenses increased by 278.47% to ₹2,723.15 million in Financial Year 2021 from ₹719.51 million in Financial Year 2020, primarily due to increases in:

(i) advertisement expense by 288.15% to ₹1,779.38 million in Financial Year 2021 from ₹458.43 million in Financial Year 2020, mainly on account of increased expenditure on activities relating to brand building, advertisements, consumer promotions and marketing investments during the year;

(ii) freight and forwarding charges by 261.87% to ₹543.53 million in Financial Year 2021 from ₹150.20 million in Financial Year 2020, mainly on account of an increase in sales through our online channels; and

(iii) sales commission by 235.31% to ₹134.29 million in Financial Year 2021 from ₹40.05 million in Financial Year 2020, mainly on account of increased sales activity through e-commerce marketplaces in Financial Year 2021.

Change in fair valuation of preference shares. Our change in fair valuation of preference shares increased by 221.15% to ₹13,612.43 million in Financial Year 2021 from ₹4,238.68 million in Financial Year 2020. For Financial Years 2021 and 2020, as the NCCCPS were classified as liability at fair value, the change in fair value of liability has been recognized as an expense in the Restated Summary Statement of Profits and Losses for these periods.

Total Tax expenses. Our total tax expenses increased to ₹76.06 million in Financial Year 2021 from nil in Financial Year 2020, primarily due to an increase in current tax to ₹61.89 million in Financial Year 2021 from nil in Financial Year 2020 and an increase in deferred tax charge to ₹14.17 million in Financial Year 2021 from nil in Financial Year 2020.

Restated loss for the year. As a result of the foregoing, we reported a restated loss of ₹13,322.15 million for Financial Year 2021 as compared to a restated loss of ₹4,280.26 million for Financial Year 2020. During Financial Years 2021 and 2020, our restated profit/(loss) for the year was significantly impacted by the change in fair valuation of preference shares, which was only incurred as a non-cash expense in Financial Years 2021 and 2020. For details relating to change in fair valuation of preference shares, see Note 1 to the table under "*— Our Results of Operations"* above. For details on reconciliation of EBITDA and Adjusted EBITDA to restated profit/(loss) for the period/year, see " *— Non GAAP Measures – EBITDA and Adjusted EBITDA*" below.

Liquidity and capital resources

Our primary source of liquidity is cash generated from operations and funding from our investors. As of September 30, 2022, we had cash and cash equivalents of ₹94.70 million and bank balances other than cash and cash equivalents of ₹869.50 million.

For the Financial Years 2020, 2021 and 2022, and the six months period ended September 30, 2022, our net cash flows from / (used in) operating activities was ₹(103.55) million, ₹297.26 million, ₹445.88 million and ₹(655.89) million, respectively, and our net cash flows from / (used in) investing activities was ₹(1,169.22) million, ₹(206.06) million, ₹(4,997.57) million and ₹454.42 million, respectively. Over the Financial Years 2020, 2021 and 2022, and the six months period ended September 30, 2022, we have raised an aggregate of ₹6,205.16 million from equity fundings.

Our funding requirements are primarily for advertisement expenses and capital expenditure towards the setting up of EBOs by our Company and of salons through investments in our Subsidiary, BBlunt. For details, see *"Objects of the Offer*" on page 98. We expect that cash generated from operations and the Net Proceeds will continue to be our principal source of funds in the short to medium term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our business and operations, acquisition opportunities and market conditions.

Cash Flows

The following table summarizes our cash flows data for the Financial Years 2020, 2021 and 2022, and the six months period ended September 30, 2022:

Particulars	For the six months period ended September 30, 2022	For the Financial Year		
		2022	2021	2020
	(₹ in millions)			
Net cash flows from / (used in) operating activities	(655.89)	445.88	297.26	(103.55)
Net cash flows from / (used in) investing activities	454.42	(4,997.57)	(206.06)	(1,169.22)
Net cash flows from / (used in) financing activities	(49.62)	4,807.97	(12.77)	1,286.87
Net (decrease)/increase in cash and cash equivalents	**(251.09)**	**256.28**	**78.43**	**14.10**
Cash and cash equivalents at the beginning of the period/year	303.88	97.59	19.16	5.06
Bank overdraft on the date of acquisition during the period/year	(29.95)	(49.99)	–	–
Cash and cash equivalents at the end of the period/year	**22.84**	**303.88**	**97.59**	**19.16**

Net cash flows from / (used in) operating activities

Net cash used in operating activities was ₹655.89 million in the six months period ended September 30, 2022. While we had a restated profit before tax of ₹91.28 million for the six months period ended September 30, 2022, we had an operating cash flow before working capital changes of ₹317.59 million, primarily as a result of share-based payment expense (equity settled) of ₹125.51 million, which was partially offset by interest income of ₹(51.11) million. Our movement in working capital primarily consisted of increases in (i) trade receivables of ₹705.67 million, (ii) inventories of ₹578.79 million and (iii) other current assets of ₹161.64 million, which was partially offset by an increase in trade payables of ₹572.63 million.

Net cash flow from operating activities was ₹445.88 million in Financial Year 2022. While we had a restated profit before tax of ₹224.39 million for the Financial Year 2022, we had an operating cash flow before working capital changes of ₹327.05 million, primarily as a result of share-based payment expenses (equity settled) of ₹167.75 million, which was partially offset by fair value gain on investments of ₹(88.84) million. Our movement in working capital primarily consisted of an increase in trade payables of ₹874.39 million, which was partially offset by an increase in trade receivables of ₹331.17 million, an increase in inventories of ₹212.70 million and an increase in other current assets of ₹148.33 million.

Net cash flow from operating activities was ₹297.26 million in Financial Year 2021. While we had a loss before tax of ₹13,246.09 million for the Financial Year 2021, we had an operating cash flow before working capital changes of ₹323.57 million, primarily as a result of adjustments for change in fair valuation of preference shares of ₹13,612.43 million. Our movement in working capital primarily consisted of an increase in trade payables of ₹584.41 million, an increase in other liabilities of ₹37.86 million and an increase in financial liabilities of ₹34.41 million, which was partially offset by an increase in inventories of ₹280.71 million, increase in trade receivables of ₹235.35 million and an increase in other current assets of ₹106.94 million.

Net cash used in operating activities was ₹103.55 million in Financial Year 2020. While we had a loss before tax of ₹4,280.26 million for the Financial Year 2020, we had an operating cash flow before working capital changes of ₹(70.52) million, primarily as a result of adjustments for change in fair valuation of preference shares of ₹4,238.68 million. Our movement in working capital primarily consisted of an increase in inventories of ₹122.68 million, an increase in trade receivables of ₹80.65 million and an increase in other financial assets of ₹36.73 million, which was partially offset by an increase in trade payables of ₹181.88 million.

Net cash flows from / (used in) investing activities

Net cash flow from investing activities was ₹454.42 million in the six months period ended September 30, 2022, primarily consisting of redemption of current investments of ₹1,300.31 million, and partially offset by investment in bank deposits of ₹388.86 million.

Net cash used in investing activities was ₹4,997.57 million in Financial Year 2022, primarily consisting of purchase of current investment of ₹6,104.47 million, acquisition of subsidiaries, net of cash acquired of ₹1,633.06 million and investment in bank deposits of ₹1,195.95 million, and partially offset by redemption of current investments of ₹4,496.65 million.

Net cash used in investing activities was ₹206.06 million in Financial Year 2021, primarily consisting of purchase of current investment of ₹749.87 million and partially offset by redemption of current investments of ₹447.73 million.

Net cash used in investing activities was ₹1,169.22 million in Financial Year 2020, primarily consisting of purchase of current investment of ₹1,343.46 million and investment in bank deposits of ₹223.77 million, and partially offset by redemption of current investments of ₹401.90 million.

Net cash flows from / (used in) financing activities

Net cash flow used in financing activities was ₹49.62 million in the six months period ended September 30, 2022, primarily consisting of proceeds from issuance of equity shares (net) of ₹48.35 million. This was partially offset by principal repayment of lease liabilities aggregating to ₹43.29 million, interest on lease liabilities aggregating to ₹25.23 million and repayment of current borrowings aggregating to ₹24.02 million.

Net cash flow from financing activities was ₹4,807.97 million in Financial Year 2022, primarily consisting of proceeds from issuance of NCCCPS of ₹4,863.87 million. This was partially offset by principal repayment of lease liabilities aggregating to ₹27.24 million, interest on lease liabilities aggregating to ₹25.75 million and finance cost paid aggregating to ₹4.30 million.

Net cash flow used in financing activities was ₹12.77 million in Financial Year 2021, primarily consisting of proceeds from issuance of equity shares (net) of ₹0.90 million. This was partially offset by interest on lease liabilities of ₹8.05 million, principal repayment of lease liabilities aggregating to ₹3.92 million and finance cost paid aggregating to ₹1.70 million.

Net cash flow from financing activities was ₹1,286.87 million during the Financial Year 2020, primarily consisting of proceeds from issuance of NCCCPS of ₹1,290.27 million. This was partially offset by principal repayment of lease liabilities aggregating to ₹3.34 million, interest on lease liabilities aggregating to ₹0.22 million and finance cost paid aggregating to ₹0.22 million.

Indebtedness

As of September 30, 2022, we had total borrowings amounting to ₹72.54 million on a consolidated basis, the details of which are set forth below:

(in ₹ million)

Particulars	As of September 30, 2022
Current liabilities – financial liabilities – borrowings **(A)**	72.54
Non-current liabilities – financial liabilities – borrowings **(B)**	–
Total borrowings (A+B)	**72.54**

For further details related to our indebtedness, see “*Financial Indebtedness*” beginning on page 287.

Capital and other commitments

The following table sets forth a summary of the maturity profile of our contractual obligations as of September 30, 2022:

Particulars	Payment due by period				
	On demand	Less than one year	One to five years	More than 5 years	Total
	(₹ in millions)				
Current liabilities – financial liabilities – borrowings	72.54	–	–	–	72.54
Lease liabilities	–	168.57	549.00	258.18	975.75
Trade payables	–	2,276.15	–	–	2,276.15
Other financial liabilities	–	244.55	462.37	–	706.92
Total borrowings (the aggregate of current liabilities – financial liabilities – borrowings and non-current liabilities – financial liabilities – borrowings)	**72.54**	**2,689.27**	**1,011.37**	**258.18**	**4,031.36**

Capital Expenditure

For the Financial Year 2020, 2021 and 2022, and the six months period ended September 30, 2022, our cash outflow towards purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods) was ₹4.62 million, ₹10.20 million, ₹14.08 million and ₹42.75 million, respectively, and our cash outflow towards purchase of other intangible assets was nil, nil, ₹12.20 million and nil, respectively.

For the Financial Year 2024, we expect to incur planned capital expenditure of approximately ₹245 million towards maintenance capital expenditure, expansion of EBOs and expansion into the salon space.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Draft Red Herring Prospectus.

Contingent liabilities

The following table sets forth our contingent liabilities as of September 30, 2022, as per Ind AS 37:

Nature of Contingent Liability	As at September 30, 2022
	(₹ in millions)
Bank guarantee	149.22

Nature of Contingent Liability	As at September 30, 2022
	(₹ in millions)
Disputed statutory demands pending before the Appellate Authorities	8.83

Notes:

(1) Bank guarantee includes bank guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt Ltd against laptops taken on lease amounting to ₹46.02 million as at September 30, 2022 (March 31, 2022: ₹31.20 million; March 31, 2021: ₹14.27 million; March 31, 2020: Nil), performance guarantees issued in favour of The Deputy General Manager – Canteen Stores Department amounting to ₹103.20 million as at September 30, 2022 (March 31, 2022: ₹33.40 million; March 31, 2021: Nil; March 31, 2020: Nil), performance guarantees issued in favour of TLG India Private Limited amount to nil as at September 30, 2022 (March 31, 2022: ₹214.80 million; March 31, 2021: Nil; March 31, 2020: Nil).

(2) Disputed statutory demands pending before the Appellate Authorities represents demands raised by income tax and service tax authorities pending before appellate authorities.

Non GAAP Measures – EBITDA and Adjusted EBITDA

We believe that the presentation of certain non-GAAP measures provides useful information to prospective investors regarding the performance and trends related to our results of operations and accordingly, we believe that when non-GAAP financial information is viewed with Ind AS financial information, prospective investors are provided with a more meaningful understanding of our ongoing operating performance and financial results. However, these financial measures are not measures determined based on Ind AS, IFRS or any other internationally accepted accounting principles, and prospective investors should not consider such items as an alternative to the historical financial results or other indicators of our cash flow based on Ind AS. The non-GAAP financial measures included herein, may not be directly comparable with metrics bearing similar names as presented by other entities due to differences in the way such non-GAAP financial measures are calculated. For further details, see "*Risk Factors — External Risk Factors — Significant differences exist between Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.*" on page 57.

Earnings before interest costs, taxes, depreciation and amortization

EBITDA is a supplemental measure of performance that is not required by, nor presented in accordance with, Ind AS or IFRS. EBITDA is not a measurement of financial performance or liquidity under Ind AS, IFRS or any other internationally accepted accounting principles, and should not be considered as an alternative to profit or any other performance measures derived in accordance with Ind AS, nor as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term, hence, a direct comparison between companies using this term may not be possible. EBITDA is presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating companies. For further details, see "*Risk Factors — Internal Risk Factors — We track certain operational and key business metrics with internal systems and tools. Certain of our operational metrics are subject to inherent challenges in measurement which may adversely affect our business and reputation*" on page 52.

Off-balance sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information — Related Party Transactions*" on page 286.

Quantitative and qualitative analysis of market risks

Our activities expose us to market risk, credit risk and liquidity risk.

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. See "*Risk Factors — External Risk Factors — A substantial portion of our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.*" for details.

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 we do not have any floating interest rate borrowings or deposits, we are not exposed to interest rate risk.

Foreign currency exchange rate 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. Our exchange risk arises from our foreign currency assets and liabilities. Our exposure to the risk of changes in foreign exchange rates arises on account of purchases from foreign countries and export sales. We have not taken any derivative instrument during the Financial Years 2020, 2021 and 2022 and the six months period ended September 30, 2022, and there is no derivative instrument outstanding as at September 30, 2022.

Price risk

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

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our investing activities (primarily deposits with banks and investment in mutual funds).

Further, other of our significant assets include security deposits for leased assets. We monitor the exposure to credit risk on an ongoing basis through ageing analysis and historical collection experience. Outstanding customer receivables are regularly monitored by our senior management. Accordingly, we consider the credit risk low.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "— *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*", beginning on pages 292 and 35, respectively. Except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Seasonality

Our business is not subject to seasonal variations.

Competitive conditions

We face intense competition from a number of competitors, some of which are larger and have substantially greater resources than us, including the ability to spend more on advertising and marketing and offer substantial discounts. We also face competition from new entrants that may have more flexibility in responding to changing business and economic conditions than us. For further details, see "*Risk Factors — Internal Risk Factors — We face intense competition which may lead to a reduction in our market share, cause us to increase our expenditure on marketing and promotion as well as cause us to offer discounts, which may results in an adverse effect on our business and a decline in our profitability.*" on page 42.

Future relationship between cost and income

Other than as described in "*Risk Factors*", "*Our Business*" and above in "— *Significant Factors Affecting our Results of Operations*" beginning on pages 35, 139 and 292, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Significant developments occurring after September 30, 2022 or significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed below and in this Draft Red Herring Prospectus, there are no circumstances that have arisen since September 30, 2022, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) other pending material litigations, in each case involving our Company, Directors, Promoters or Subsidiaries. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years, including any outstanding action. Our Company does not have a Group Company as on the date of this Draft Red Herring Prospectus.

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on November 24, 2022, has considered and adopted the Materiality Policy, in terms of which, any outstanding litigation involving a claim or an amount which exceeds ₹ 0.72 million, being the amount equivalent to 0.50% of the Restated Profit/(Loss) as per the Restated Ind AS Summary Statements, which was ₹ 144.43 million, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 0.50% of the Restated Profit/(Loss) as per the Restated Ind AS Summary Statements.

For the purposes of this section, pre-litigation notices (excluding statutory/ regulatory/governmental/ tax authorities or notices threatening criminal action) and matters in which summons have not been received, have not been considered material and/ or have not been disclosed as pending matters until such time that our Company, Directors, Promoters or Subsidiaries, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as of September 30, 2022 shall be considered as 'material'. Accordingly, as on September 30, 2022, any outstanding dues exceeding ₹ 113.81 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

Litigation against our Company

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

VLCC Personal Care Limited (**"Plaintiff"**) has filed a civil suit (**"Suit"**) before the Court of District and Sessions Judge, Saket District Courts (South-East), New Delhi against Ashish Mishra and our Company ("**Defendants**"). It was alleged by the Plaintiff that Ashish Mishra was employed with the Plaintiff vide an agreement dated April 7, 2014 ("**Employment Agreement**"). On March 3, 2020, Ashish Mishra tendered his resignation to the Plaintiff, citing personal reasons and later joined our Company. The Plaintiff has alleged that Ashish Mishra has sabotaged its business by poaching one of its clients in the distribution business, making a group of seven employees previously employed with the Plaintiff join our Company, divulging confidential information to our Company, thereby contravening the confidentiality clause, restrictions on competitive practices and stipulations related to secrecy of the affairs of the Company in the Employment Agreement. The Plaintiff has sought relief of (i) permanent and mandatory injunction under section 38 of the Specific Relief Act, 1963, (ii) damages amounting to ₹ 6.05 million, (iii) order from the Court to cease and desist from exploiting or divulging any confidential information belonging to the Plaintiff and furnish proof of its destruction, and (iv) produce a rendition of the accounts of our Company in relation to its business with the Plaintiff's client and to pay, jointly and severally, any amounts due. The matter is currently pending.

Notices

1. Our Company is in receipt of 29 notices ("**LM Notices**") from relevant authorities of the central and different state Legal Metrology departments in relation to alleged non-compliance of mandatory declarations and labelling requirements for our products under the Legal Metrology Act, 2009 and Legal Metrology Packaged Commodities Rules, 2011 including inter alia, non-disclosure of maximum retail price, incorrect disclosure of mandatory declarations on the packages, incorrect disclosure of net quantity, non-inclusion of customer care number and non-usage of appropriate weight/ metrology symbols. Our Promoters and Directors have also been made parties to several LM notices. Our Company has responded in writing or orally and is in the process of responding to all the remaining LM notices and no further communication has been received by our Company in relation to any of the LM Notices.

2. Our Company received a criminal defamation notice dated April 30, 2022 **("Notice"**) from Uprising Science Private Limited **("Minimalist"**) alleging that our Company through social media handles belonging to 'The Derma Co.' brand has published inaccurate, misleading and defamatory statements against the products of Minimalist **("Minimalist Products"**). Minimalist, through the Notice demanded immediate removal of all alleged defamatory and other references to Minimalist Products from all social media platforms **("Corrective Actions"**). Further, an unconditional apology on social media handles, an undertaking to not engage in the alleged defamatory publications in the future, and intimation within forty-eight hours for corrective steps taken pursuant to the Corrective Actions, failing which Minimalist threatened an action under sections 499, 500,501, and 502 of the Indian Penal Code, 1860. Our Company has responded to and denied the alleged claims made pursuant to the Notice and has not received any communication post our letter dated May 4, 2022.

Litigation by our Company

Criminal Litigation

Our Company filed a complaint dated January 5, 2022, with the Cyber Crime Police Station, Gurugram, and FIR no. 0004 of 2022 dated January 13, 2022 was registered under sections 66C and 66D of the Information Technology Act, 2000 and sections 415, 416, 420, 425, 468, 469, 471, read with sections 34 and 120B of the Indian Penal Code, 1860. This was pursuant to the complaints received by our Company from over 471 customers in relation to fraudulent promotional offers made by unknown persons falsely impersonating as authorised representatives of our Company, who had gained unauthorised access to personal information of our customers like name, shipping address and order history, and lured such customers into making online payments for products of our Company to fraudulent accounts. Our Company has also filed a complaint dated May 18, 2022, with Indian Computer Emergency Response Team **("CERT-In"**), Ministry of Electronics and Information Technology, Government of India, in relation to this matter and a re-occurrence of attempted cyber fraud. Our Company has not received a response from CERT-In. A detailed response dated July 6, 2022, requested under section 91 of the Code of Criminal Procedure, 1973 was submitted by our Company to the Cyber Crime Police Station, Gurugram. The matter is currently pending.

Material Civil Litigation

1. Our Company has filed a commercial suit dated May 24, 2022 (**"Suit")** against Manchanda Herbal Products Private Limited, Prashant Manchanda, and Triple Play Technologies Pvt Ltd (**"Defendants"**) before the High Court of Delhi seeking permanent injunction and damages, against infringement of trademark, passing off, and unfair competition. We have contended through this Suit that the Defendants were engaging in passing off their products as that of our Company's by using deceptively similar name, packaging, and overall impression. Our Company has claimed an aggregate amount of ₹ 20 million in this Suit. The High Court of Delhi granted an ad-interim injunction in favour of our Company pursuant to an order dated May 31, 2022. Our Company has also filed a contempt petition dated August 2, 2022, to restrain the continuing infringement by the Defendants in violation of the orders of High Court of Delhi, to which the Defendants have filed a reply dated December 5, 2022. The matter is currently pending.

2. Our Company has also filed two petitions dated May 19, 2022, and November 9, 2021, for cancellation of the registered mark "Mamaveda" obtained by Prashant Manchanda and "Mamaearth" obtained by Malika Sadani, before the High Court of Delhi and the High Court of Bombay respectively. No monetary amounts have been claimed in the petitions. The matters are currently pending.

Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of this Draft Red Herring Prospectus

Nil

Material Civil Litigation

Nil

Notices

Our Promoter, Varun Alagh, has received 16 notices from central and different state Legal Metrology authorities. For further details, please see "*– Litigation Involving Our Company*" and "*– Litigation Involving Our Directors*" on pages 322 and 324, respectively.

Our Promoter, Ghazal Alagh, has received 10 notices from central and different state Legal Metrology authorities. For further details, please see "*– Litigation Involving Our Company*" and "*– Litigation Involving Our Directors*" on pages 322 and 324, respectively.

Litigation by our Promoters

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

Nil

Notices

Our Whole-time Directors, Varun Alagh and Ghazal Alagh have received 16 and 10 notices, respectively, from central and different state Legal Metrology authorities. Further, our remaining Directors have received 10 notices from central and different state Legal Metrology authorities addressed to them using 'directors/board of directors' of our Company in the notices. For further details, please see "*– Litigation Involving Our Company*" and *"–Litigation Involving Our Promoters"* on pages 322 and 323, respectively.

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal Litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Material Civil Litigation

Nil

Litigation by our Subsidiaries

Criminal Litigation

BBlunt

BBlunt filed a complaint dated May 18, 2019, with the Gamdevi Police Station, Mumbai, against two of its former employees ("**Accused Persons**") for alleged misappropriation of funds aggregating to ₹ 296,095 while working with BBlunt. A First Information Report dated August 16, 2019, was registered at the Gamdevi Police Station, Mumbai, against the Accused Person under sections 408, 420, 465, 467, 471 of the Indian Penal Code, 1860. One of the Accused Persons has obtained pre-arrest bail pursuant to an order dated October 14, 2019, from the High Court of Bombay in this matter. The matter is currently pending.

B:Blunt Spratt

B:Blunt Spratt filed a complaint dated December 9, 2022, with Koramangala Police Station, Bangalore City, against unknown persons ("**Accused Persons**") for the alleged theft aggregating to ₹ 60,690 at BBlunt Saloon in Koramangala, Bengaluru City and neighbouring shop called Glenens Pet Store. A First Information Report dated December 9, 2022, was registered at the Koramangala Police Station, Bangalore City, against the Accused Persons under sections 380 and 457 of the Indian Penal Code, 1860. The matter is currently pending.

Material Civil Litigation

Nil

Claims related to Direct and Indirect Taxes

Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters, Directors and Subsidiaries:

Nature of case	Number of cases	Amount involved* (in ₹ million)
Our Company		
Direct Tax	**3	0.08
Indirect Tax	Nil	Nil
Our Promoter(s)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Subsidiaries		
Direct Tax	2	8.83
Indirect Tax	Nil	Nil

 # Other than the Directors who are Promoters of our Company.

*** Out of the three tax cases involving the Company, disputed amount is 'Nil' for one of the cases. The Centralized Processing Centre, Income Tax Department has, by way of rectification orders dated August 8, 2022 for AY 2020-21 and Intimation order dated August 18, 2022 has, suo moto rectified the challenged amounts towards losses claimed for AY 2020-21 and AY 2021-22 respectively. Accordingly, the disputed amount is 'Nil' as on date.*

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of September 30, 2022, based on the Restated Ind AS Summary Statements of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of September 30, 2022, was ₹ 2,276.15 million and accordingly, creditors to whom outstanding dues as of September 30, 2022, exceed ₹ 113.81 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Details of outstanding dues towards our material creditors are available on the website of our Company at https://honasa.in/wp-content/uploads/2022/12/Material-Creditors.pdf.

Based on the Materiality Policy, details of outstanding dues owed as of September 30, 2022, by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	31	49.92
Material Creditors	3	492.11
Other creditors*	10,406	863.68
Total	**10,440**	**1,405.71**

* *Includes capital creditors*

As of September 30, 2022, there are 3 material creditors to whom our Company owes an aggregate amount of ₹ 492.11 million.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments occurring after September 30, 2022 or significant economic changes that materially affected or are likely to affect income from continuing operations*" on page 320 and as otherwise disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the following necessary and material consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired in their normal course, we have either made an application for renewal, or are in the process of making an application for renewal. For details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" and "Risk Factors" on pages 164 *and* 35*, respectively.*

I. **Incorporation details**

Our Company

a. Certificate of incorporation dated September 16, 2016, issued to our Company under the name 'Honasa Consumer Private Limited' by the RoC.

b. Fresh certificate of incorporation dated November 11, 2022 issued to our Company under the name 'Honasa Consumer Limited' by the RoC, pursuant to conversion to a public company.

c. The CIN of our Company is U74999DL2016PLC306016.

II. **Approvals in relation to the Offer**

For details of the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 329.

III. **Material Approvals in relation to our Company**

(1) ***Material Approvals in relation to business operations***

a. License dated September 8, 2021 issued by Food Safety and Standards Authority of India as a supplier for one warehouse.

b. Certificate of registration dated March 6, 2020 as manufacturer/ packer issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities), Rules, 2011.

(2) ***Trade related approvals***

Our Company has obtained an importer exporter code bearing number 0517530643 from the Office of Additional Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India on May 26, 2017.

(3) ***Tax related registrations of our Company***

a. The permanent account number of our Company is AADCH9716L.

b. The tax deduction account number of our Company is DELH10774B.

Our Company has obtained professional tax registrations for certain jurisdictions where their business operations are located, and relevant goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations in the states and union territories where our business operations are located and such registrations are required.

(4) ***Material labour approvals of our Company***

a. Registration under the Contract Labour (Regulation and Abolition) Act, 1970.

b. Trade licenses under various state municipal corporations under applicable state specific laws for our EBOs and warehouses.

c. Registration of establishment under respective state shops and establishment acts for our Corporate Office, Registered Office. EBOs and warehouses.

d. Registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended, the Employees State Insurance Act, 1948 as amended and Payment of Gratuity Act, 1972, as amended.

(5) ***Intellectual Property related Approvals***

For details on our intellectual property, see "*Our Business –Description of our Business - Intellectual Property*" on page 162.

IV. **Material approvals applied for but not received as on December 20, 2022**

Except as stated below, there are no material approvals for which applications made by our Company are pending:

a. Registration of establishment under the respective state shops and establishment acts for 8 stores and one warehouse.

b. Trade licenses, including provisional trade licenses, under the respective municipal corporation acts for 12 stores and one warehouse.

c. Registration of establishment under the Contract Labour (Regulation and Abolition) Act, 1970 for one warehouse.

d. Registration as manufacturer/ packer issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities), Rules, 2011 for one warehouse.

e. Registration with Food Safety and Standards Authority of India for national license as a supplier for the three warehouses.

f. Professional tax registrations under the applicable legislations applicable in the state of Madhya Pradesh, Assam, Gujarat and Kerala.

V. **Material approvals expired and renewal to be applied for as on December 20, 2022**

Nil

VI. **Material approvals required but not applied for as on December 20, 2022**

Except as stated below, there are no material approvals which our Company was required to obtain or apply for, but have not been applied for:

a. Registration of establishment under the respective state shops and establishment acts for 12 EBOs.

b. Trade licenses, including provisional trade licenses, under the respective municipal corporation acts for 34 EBOs.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer including the Fresh Issue of up to ₹ 4,000 million has been authorised by our Board pursuant to a resolution passed at its meeting held on December 15, 2022 and by our Shareholders pursuant to a special resolution passed at their meeting held on December 17, 2022.

Further, our Board has taken on record the consent of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to the resolution dated December 15, 2022.

The Board has approved this Draft Red Herring Prospectus pursuant to its resolution dated December 23, 2022 and IPO Committee on December 28, 2022.

The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale, in relation to their respective portion of the Offered Shares, as set out below:

Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Promoter Selling Shareholders			
Varun Alagh	3,186,300	-	December 28, 2022
Ghazal Alagh	100,000	-	December 28, 2022
Investor Selling Shareholder			
Evolvence India Fund III Ltd	862,987	December 5, 2022	December 26, 2022
Evolvence India Coinvest PCC, invested through its Cell E	220,613	December 5, 2022	December 26, 2022
Fireside Ventures Fund	7,972,478	December 5, 2022	December 26, 2022
Sofina	19,133,948	December 10, 2022	December 26, 2022
Stellaris	12,755,965	November 30, 2022	December 26, 2022
Other Selling Shareholders			
Rishabh Harsh Mariwala	477,300	-	December 26, 2022
Kunal Bahl	777,672	-	December 26, 2022
Rohit Kumar Bansal	777,672	-	December 26, 2022
Shilpa Shetty Kundra	554,700	-	December 28, 2022

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, the Selling Shareholders, the persons in control of our Company, (being our Promoters), are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any company which is debarred from accessing capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters.

Our Company, Promoters and Directors have not been declared as a 'Fraudulent Borrower' in terms of the circular no. RBI/DBS/2016-17/28 dated July 1, 2016 issued by the Reserve Bank of India.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in relation to the Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations. We are therefore required to allot at least 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) and Regulation 32(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
(iii) Neither our Company, nor our Directors is a Wilful Defaulter or Fraudulent Borrower;
(iv) None of our Directors have been declared as a Fugitive Economic Offender;
(v) Except as disclosed in the section titled "*Capital Structure*" on page 79, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus;
(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated December 6, 2021 and August 5, 2022 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
(vii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and
(viii) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Each of the Selling Shareholders, severally and jointly specifically confirm that the Equity Shares being offered by each of the Selling Shareholders comply with the requirements specified under Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations.

Further, in accordance with Regulation 8A of the SEBI ICDR Regulations; (i) the Offered Shares being Offered for sale by the Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of the Company (on a fully-diluted basis), shall not exceed more than 50% of their respective pre-Offer shareholding (on a fully-diluted basis) and (ii) the Offered Shares being Offered for sale by Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of the Company (on a fully-diluted basis), shall not exceed more than 10% of the pre-Offer shareholding of the Company (on a fully-diluted basis).

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, JM FINANCIAL LIMITED AND J.P. MORGAN INDIA PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS

SEVERALLY AND NOT JOINTLY WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 28, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.honasa.in, or the respective websites of any affiliate of our Company would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and their respective portion of Offered shares) and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders for the delayed period in accordance with applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company as to Indian law, legal counsels as mentioned in *"General Information"* on page 71, Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, Independent Chartered Accountant, Redseer, Crownit, in their respective capacities, have been obtained, and such consents have not been withdrawn as of the date of this Draft Red Herring Prospectus. Further, consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks, Monitoring Agency, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 28, 2022 from S.R. Batliboi & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated December 15, 2022 on our Restated Ind AS Summary Statements; and (ii) their report dated December 28, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated December 28, 2022 from B.B. & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company. Our Company has also received a written consent dated December 28, 2022 from B.B. & Associates, Chartered Accountants, in relation to the key performance indicators included in this DRHP.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not undertaken any public issue in the last five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the preceding three years by our Company, listed group companies/ subsidiaries/ associates

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure - Share capital history of our Company*" on page 80 and as applicable, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

The Company does not have any associates or group companies. None of our Subsidiaries are listed on any stock exchange.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares in the last five years/ since incorporation (including the last five years).

Performance vis-à-vis objects – public/ rights issue of our Company

Except as disclosed in *"Capital Structure"* on page 79, our Company has not undertaken any public issue or rights issue (as defined in SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/ listed promoter of our Company

As on the date of this Draft Red Herring Prospectus, the securities of our Subsidiaries are not listed on any stock exchanges. Further, our Company does not have a corporate promoter.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1. ***Kotak***

Price information of past issues handled by

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Sula Vineyards Limited	9,603.49	357	December 22, 2022	358.00	Not Applicable	Not Applicable	Not Applicable
2.	Five-Star Business Finance Limited	15,934.49	474	November 21, 2022	468.80	+29.72%, [+1.24%]	Not Applicable	Not Applicable
3.	Bikaji Foods International Limited	8,808.45	300[1]	November 16, 2022	321.15	+28.65%, [-0.29%]	Not Applicable	Not Applicable
4.	Global Health Limited	22,055.70	336	November 16, 2022	401.00	+33.23%, [0.03%]	Not Applicable	Not Applicable
5.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00%, [-5.13%]	+34.54%, [+6.76%]	+40.15%, [+12.40%]
6.	Delhivery Limited	52,350.00	493[2]	May 24, 2022	493.00	+3.49%, [-4.41%]	+17.00%, [+10.13%]	-27.99%, [+13.53%]
7.	Life Insurance Corporation Of India	205,572.31	949[3]	May 17, 2022	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-33.82%, [+13.76%]
8.	Rainbow Children's Medicare Limited	1,5808.49	542[4]	May 10, 2022	510.00	-13.84%, [+0.72%]	-12.80%, [+7.13%]	+49.20%, [+11.56%]
9.	Campus Activewear Limited	13,996.00	292[5]	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%, [+6.72%]	+91.04%[+11.14%]
10.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]

Source: www.nseindia.com;
Notes:

1. *In Bikaji Foods International Limited, the issue price to eligible employees was ₹ 285 after a discount of ₹ 15 per equity share*
2. *In Delhivery Limited, the issue price to eligible employees was ₹ 468 after a discount of ₹ 25 per equity share*
3. *In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share*
4. *In Rainbow Children's Medicare Limited, the issue price to eligible employees was ₹ 522 after a discount of ₹ 20 per equity share*
5. *In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
9. *Restricted to last 10 equity initial public issues.*

2. **Summary statement of price information of past issues handled by Kotak:**

Financial Year	Total No. of IPO's	Total Funds	No. of IPOs trading at discount – 30th calendar days from listing	No. of IPOs trading at premium – 30th calendar days from listing	No. of IPOs trading at discount – 180th calendar days from listing	No. of IPOs trading at premium – 180th calendar days from listing

		Raised (in ₹ million)	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	9	352,209.37	-	3	1	-	1	3	-	2	-	1	2	-
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	2	2
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

Source: www.nseindia.com; www.bseindia.com, as applicable

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

2. *Citi*

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Citi:

S. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Delhivery Limited	52,350.0	487.00	May 24, 2022	495.20	+3.49% [-4.41%]	+17.00% [10.13%]	-27.99% [13.53%]
2.	Life Insurance Corporation of India	205,572.3	949.00	May 17, 2022	872.00	-27.28% [-3.49%]	-28.09% [8.85%]	-33.86% [12.86%]
3.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78% [+1.96%]	-29.79% [-6.66%]	-22.21% [-6.25%]
4.	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.56% [-4.17%]	-60.40% [-2.32%]	-72.49% [-10.82%]
5.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86% [-4.17%]	-20.52% [-4.06%]	-33.86% [-12.85%]
6.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	92.31% [-2.53%]	68.46% [-4.46%]	+36.80% [-8.91%]
7.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.4% [-0.98%]	-23.85% [-0.51%]	-25.65% [-0.90%]
8.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [+5.55%]	-0.82% [+7.38%]	+0.62% [+6.86%]
9.	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31% [+6.90%]	-32.68% [+9.24%]	-61.17% [+8.80%]
10.	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29% [+3.75%]	+81.45% [+15.20%]	+75.07% [14.23%]

Source: www.nseindia.com

Notes:

(1) Nifty is considered as the benchmark index.

(2) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.

(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

(4). Above list is restricted to last 10 equity initial public issues

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Citi:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount on as on - 30th calendar days from listing date			No. of IPOs trading at premium on as on - 30th calendar days from listing date			No. of IPOs trading at discount as on - 180th calendar days from listing date			No. of IPOs trading at premium as on - 180th calendar days from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	257,922.30	-	1	-	-	-	1	-	2	-	-	-	-
2021-22	8	5,36,816.99	-	1	4	2	-	1	2	2	1	1	1	1
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	1	1	-	1

Source: www.nseindia.com

Notes:

(1) The information is as on the date of the document.

(2) The information for each of the financial years is based on issues listed during such financial year.

(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

3. *JM Financial*

1. Price information of past issues handled by JM Financial:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Uniparts India Limited#	8,356.08	577.00	December 12, 2022	575.00	Not Applicable	Not Applicable	Not Applicable
2.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	Not Applicable	Not Applicable
3.	Bikaji Foods International Limited#9	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	Not Applicable	Not Applicable
4.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	Not Applicable	Not Applicable
5.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	Not Applicable	Not Applicable
6.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	Not Applicable	Not Applicable
7.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	10.68% [4.65%]	Not Applicable
8.	Paradeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
9.	Life Insurance Corporation of India#8	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
10.	Campus Activewear Limited*7	13,997.70	292.00	May 05, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	91.04% [11.14%]

Source: www.nseindia.com and www.bseindia.com

 # BSE as Designated Stock Exchange

** NSE as Designated Stock Exchange*

Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of Rs. 60 per Equity Share was offered to Policy holders.*

9. *A discount of Rs. 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
10. *Not Applicable – Period not completed*

2. Summary statement of price information of past issues handled by JM Financial:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023-	10	3,12,020.53	-	1	1	-	5	2	-	1	-	1	1	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

4. *J.P. Morgan*

1. Price information of past issues handled by J.P. Morgan:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Life Insurance Corporation of India(a)	205,572.31	949[1]	May 17, 2022	867.20	(27.2%), [-3.3%]	(28.1%), [+9.5%]	(33.8%), [+13.8%]
2.	Rainbow Children's Medicare(b)	15,808.49	542[2]	May 10, 2022	510.00	(13.8%), [+0.7%]	(12.8%) , [+7.1%]	+49.2%, [+11.6%]
3.	Adani Wilmar Limited (b)	36,000.00	230[3]	February 08, 2022	227.00	+48.0%, [-5.3%]	+181.0%, [-5.0%]	+193.3%; [+0.8%]
4.	One 97 Communications Limited (a)	183,000.00	2,150	November 18, 2021	1,955.00	(38.5%), [-4.4%]	(60.4%), [-2.5%]	(72.5%), [-11.2%]
5.	Nuvoco Vistas Corporation Limited (a)	50,000.00	570	August 23, 2021	471.00	(5.8%), [+6.2%]	(9.7%), [+7.3%]	(32.8%), [+4.1%]
6.	Sona BLW Precision Forgings Limited (a)	55,500.00	291	June 24, 2021	302.40	+45.2%, [+0.5]	+93.4%, [+12.0%]	+140.3%, [+5.9%]
7.	Macrotech Developers Limited (a)	25,000.00	486	April 19, 2021	439.00	+30.2%, [+4.7%]	+75.6%, [+10.8%]	+146.9%, [+27.9%]

Source: SEBI, Source: www.nseindia.com

1. *Price on the designated stock exchange is considered for all of the above calculation for individual stocks.*
   (a) BSE as the designated stock exchange; (b)NSE as the designated stock exchange
2. *In case 30th/90th/180th day is not a trading day, closing price on the stock exchange of the previous trading day has been considered.*
3. *Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively*
4. *Pricing performance is calculated based on the Issue price.*
5. *Variation in the offer price for certain category of investors are:*
   [1] Discount of ₹45.0 per equity share offered to individual retail bidders and eligible employee(s); with discount of INR 60.0 per equity share offered to policyholder bidders respectively. All calculation are based on Issue price of ₹949 per equity share
   [2] Discount of ₹20.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹542 per equity share
   [3] Discount of ₹21.0 per equity share offered to eligible employee bidders. All calculation are based on Issue price of ₹230 per equity share
6. *Pricing Performance for the benchmark index is calculated as per the close on the day of the listing date*
7. *Benchmark index considered is NIFTY 50/S&P BSE Sensex basis designated stock exchange for each issue*
8. *Issue size as per the basis of allotment*

2. Summary statement of disclosure price information of past issues during current financial year and two financial years preceding the current financial year handled by J.P. Morgan:

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-2023*	2	2,21,381	NA	1	1	NA	NA	NA	NA	1	NA	NA	1	NA
2021-2022	5	3,49,500	NA	1	1	NA	3	NA	1	1	NA	3	NA	NA
2020-2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

**Year to date*

Note: In the event that any day falls on a holiday, the price/ index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	Kotak	https://investmentbank.kotak.com
2.	Citi	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	JM Financial	www.jmfl.com
4.	J.P. Morgan	www.jpmipl.com

Redressal and Disposal of Investor Grievances by our Company

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
	2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholders and the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 72.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Each of the Selling Shareholders, specifically, severally and not jointly, has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has also appointed Dhanraj Dagar, Company Secretary of our Company, as the Compliance Officer for the Offer. For further details, see "*General Information*" on page 71.

Our Company has constituted a Stakeholders' Relationship Committee comprising Namita Gupta as its Chairperson and Ghazal Alagh and Subramaniam Somasundaram as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 188.

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus there are no outstanding investor grievances.

Our Company does not have any listed group companies or listed subsidiaries.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not applied for or received any exemption from complying with any provisions of SEBI ICDR Regulations.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses, see "*Objects of the Offer*" on page 98.

Ranking of Equity Shares

The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA, and shall rank *pari passu* with the existing Equity Shares in all respects including dividends. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 372.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 200 and 372, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers and shall be advertised in [●] editions of English national daily newspaper [●] and [●] editions of Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 372.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated August 5, 2022 amongst our Company, CDSL and the Registrar to the Offer; and

- Tripartite agreement dated December 6, 2021 between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 354.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Offer Programme

BID/ OFFER OPENS ON	**[●]**(1)
BID/ OFFER CLOSES ON	**[●]**(2)

(1) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(3) *UPI mandate end time and date shall be at 5:00 pm on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	**Indicative Date**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLM(s) shall be liable for compensating the Bidder at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/ Offer Period by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, revision of the Price Band or delay in receipt of final certificates from SCSBs, etc resulting in delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“**IST**”)
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs or Eligible Employees under the Employee Reservation Portion.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from the RIBs and Eligible Employees under the Employee Reservation Portion, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Monday to Friday (excluding any public/ bank holiday). Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None of our Company, each of the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise, or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company and the Selling Shareholders, severally and not jointly, shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. It is clarified that each of the Selling Shareholders shall, severally and not jointly, be liable to refund money raised in the Offer together with any interest for delays in making refunds as per applicable law, only to the extent of its respective portion of Offered Shares. Notwithstanding the foregoing, no liability to make any payment of interest shall accrue on any Selling Shareholder and such interest shall be borne by the Company unless any delay of the payments to be made hereunder, or any delay in obtaining listing and/or trading approvals or any approvals in relation to the Offer is solely and directly attributable to an act or omission of such Selling Shareholder.

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the following order: (i) In the first instance towards subscription for 90% of the Fresh Issue; (ii) If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made: (a) first towards Equity Shares offered by the Investor Selling Shareholders in proportion to the Offered Shares being offered by the Investor Selling Shareholders; (b) secondly, towards Equity Shares offered by the Promoter Selling Shareholders and Other Selling Shareholders in proportion to the Offered Shares being offered by the Promoter Selling Shareholders and Other Selling Shareholders; (c) only after the sale of all of the Offered Shares, towards the balance Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer equity share capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 79, there are no restrictions on transfer or transmission of Equity Shares and their consolidation or sub-division. For further details see "*Description of Equity Shares and Terms of the Articles of Association*" on page 372.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,000 million and an Offer of Sale of up to 46,819,635 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

The Offer will constitute [●]% of the post-Offer paid-up equity share capital of our Company. The Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹ 100 million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5.00% of our post-Offer paid-up equity share capital. The Offer less the Employee Reservation Portion is the Net Offer.

The Offer and Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up equity share capital of our Company, respectively.

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company complying with rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment or allocation*(2)	Up to [●] Equity Shares	Not less than [●] Equity Shares or the Offer less allocation to RIBs and Non-Institutional Investors subject to the allocation/allotment of not less than 75% of the Offer	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company	Not less than 75% of the Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs shall be available for allocation	Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bids received from Anchor Investors at or above the Anchor Investor Allocation Price	Proportionate as follows: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹0.20 million and up to ₹1.00 million; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹1.00 million. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*", beginning on page 354

Particulars	Eligible Employees	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
			category. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non- Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	
Mode of Bid	Through ASBA process only (except for Anchor Investors)			
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000million	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000, if any	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding QIB portion), subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[(3)]	Eligible Employees such that the Bid Amount does not exceed ₹500,000	Public financial institutions as specified in Section 2(72) of the Companies Act scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts, and FPIs who are individuals, corporate bodies and family offices for Equity Shares such that the Bid Amount exceeds ₹0.20 million in value.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹0.20 million in value.
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than the Anchor Investors), or by the Sponsor Banks through the UPI Mechanism, that is specified in			

Particulars	Eligible Employees	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	the ASBA Form at the time of submission of the ASBA Form			

* Assuming full subscription in the Offer

\# *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(1) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The relevant Bidders should ensure that the depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Book Running Lead Managers, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹ 200,000 in value.

Only in the event of an under-subscription in the Employee Reservation Portion, post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 in value.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 359 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead

Managers, and the Designated Stock Exchange, on a proportionate basis. For further details, see the "*Terms of the Offer*" on page 344.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations and is a part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with its circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) and modalities of the implementation of UPI Phase III maybe notified and made effective subsequently, as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021) and its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

Our Company, the Selling Shareholders and the Members of the Syndicate, severally and not jointly, are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than

15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Further, the Offer includes a reservation of up to [●] Equity Shares, aggregating up to ₹ 100 million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs and later, all UPI Bidders, through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer. The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/ Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of English national daily newspaper [●] and [●] editions of Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation, on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. Such payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. Copies of the Anchor Investor Application Form will be available with the Book Running Lead Managers.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders (other than UPI Bidders using the UPI Mechanism) must provide the bank account details and authorisation to block funds in their respective ASBA Form. The ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, shall submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including QIBs, Non-institutional Bidders and RIBs, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]**
Eligible Employees Bidding in the Employee Reservation portion	[●]

**Excluding electronic Bid cum Application Form*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*

Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges, For ASBA Forms (other than in the case of UPI Bidders using the UPI Mechanism), the Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Form to the respective SCSB, where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the relevant intermediary at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and determining the liability. For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process

Electronic registration of Bids

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. A qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoters or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis.

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 350.

However, Allotments to Eligible Employees in excess of ₹ 200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
(iii) In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
(iv) Bids by Eligible Employees may be made at Cut-off Price.
(v) Only those Bids, which are received at or above the Offer Price would be considered for allocation under this portion.
(vi) If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(vii) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(viii) Eligible Employees shall not Bid through the UPI mechanism. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" beginning on page 354

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanies by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 371.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

5) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;

2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

8. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders Bidding using the UPI Mechanism);

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;

13. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

14. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

15. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

16. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

17. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

18. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

19. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

20. Ensure that the Demographic Details are updated, true and correct in all respects;

21. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

22. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

23. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

24. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

25. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

27. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

29. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

30. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

31. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

32. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

6. Do not submit the Bid for an amount more than funds available in your ASBA account;

7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;

9. If you are an UPI Bidder are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

13. Do not submit the General Index Register (GIR) number instead of the PAN;

14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

20. Do not Bid for Equity Shares more than what is specified for each category;

21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date;

22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder using the UPI Mechanism).

30. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders); and

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 71 and 180, respectively.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information - Book Running Lead Managers*" on page 72.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The allocation to each NIB shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholders, in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in [●] editions of English national daily newspaper [●] and [●] editions of Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of English national daily newspaper, [●] and [●] editions of Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- if Allotment is not made within six working days from the Bid/ Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;

- except for Equity Shares that may be allotted pursuant the Pre- IPO Placement and pursuant to exercise of options granted under the ESOP Schemes and the Equity Shares allotted pursuant to the Fresh Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc;

- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders specifically undertakes and confirms, as applicable, severally and not jointly, in relation to itself and its Offered Shares that:

- it is the legal and beneficial holder of and has clear legal, valid and marketable title to its respective portion of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free and clear of any encumbrance;

- its respective portion of the Offered Shares shall be transferred to an escrow demat account in dematerialized form prior to the filing of the Red Herring Prospectus with the RoC in accordance with the Share Escrow Agreement to be executed between the Company, the Selling Shareholders and the share escrow agent for the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until final listing and trading approvals are received from the Stock Exchanges, until which time all monies received shall be kept in a separate bank account in a scheduled bank, within the meaning of Section 40(3) of the Companies Act, 2013.

Only the statements and undertakings in relation to each of the Selling Shareholders and its respective portion of the Offered Shares which are specifically "confirmed" or "undertaken" by such Selling Shareholder in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such respective Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Net Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**Consolidated FDI Policy**"), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA NDI Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period.

In accordance with the FEMA NDI Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company on a fully diluted basis and the aggregate limit for FPI investment currently not exceeding the sectoral or statutory cap; and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA NDI Rules.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "*Offer Procedure*" beginning on page 354.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

PART A

Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a Special Resolution passed at the Extraordinary General Meeting of our Company held on December 17, 2022. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

*The Articles of Association of the Company include two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of receipt of final listing and trading approvals by the Company from the Stock Exchanges (defined hereinafter) where the equity shares are proposed to be listed pursuant to the initial public offer of equity shares ("**Equity Shares**") of the Company (the "**Listing Date**" and the initial public offer, the "**Offer**"). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until the Listing Date. All articles of Part B shall automatically terminate and cease to have any force and effect on and from the Listing Date and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

Authorised share capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

New capital part of the existing capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Sub-division, consolidation and cancellation of share certificate

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Reduction of capital

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation of securities

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws.

(b) <u>Dematerialisation/Re-materialisation of securities</u>

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any.

(c) <u>Option to receive security certificate or hold securities with the Depository</u>

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) <u>Securities in electronic form</u>

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) <u>Beneficial owner deemed as absolute owner</u>

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) <u>Register and index of beneficial owners</u>

The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.

Buy back of shares

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Annual general meetings

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two annual general meetings.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary general meetings

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary meetings on requisition

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for general meetings

All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

Shorter notice admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) days if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

Voting rights of members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.
(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up equity share capital.
(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Number of directors

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following are the first Directors of the Company

(a) Varun Alagh;

(b) Ghazal Alagh; and

Board composition

(1) The Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(2) The Board, which shall exercise such powers, shall manage the Company and functions as are permitted under the Act and the Charter Documents. Subject to compliance with applicable Laws and the approval of the

Shareholders by way of a special resolution in the first general meeting convened after the consummation of the IPO, the Board shall at all times comprise a maximum of 15 (fifteen) Directors including:

(a) 1 (one) non-executive Director nominated by SCI (acting together) ("**SCI Nominee Director**"), till such time that the shareholding of SCI is at least equal to 10% (ten per cent) of the Share Capital, determined on a Fully Diluted Basis (considered collectively with the shareholding of its Affiliate(s)), provided that, SCI shall ensure that the SCI Nominee Director is not a member of the board of directors or acting as a board observer, in a New Age Competitor of the Company;

(b) 2 (two) Directors being nominated by the Promoters ("**Promoter Nominee Directors**") till such time that they continue to be promoters of the Company, as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(c) such other number and categories of Directors, including independent Directors (as such term is understood under the Act) as may be required to comply with applicable legal and regulatory requirements under the Applicable Laws, including the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For so long as they are promoters of the Company under applicable Law, the Promoters shall have a right to appoint a person or nominate themselves to the post of Chairman of the Board in accordance with applicable Law, provided, however, that, upon the consummation of the IPO, the Promoters shall be entitled to exercise this right only after receipt of approval of the Shareholders by way of a special resolution in the first general meeting convened after the consummation of the IPO. The Chairman will act in a fair and reasonable manner and shall not have a second or casting vote in any Board Meetings.

The Chairman be permitted to hold the position of both the Chairman of the Board and/or General Meeting as well as Whole time Director/ managing director/ chief executive officer /equivalent position thereof in the Company as may be decided by the Board of Directors and as permitted by applicable laws from time to time.

Meetings of The Board

(a) The Board of Directors shall meet at least four (4) times a year with a maximum gap of one hundred and twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act. Place of meetings of the Board shall be at a location as specified in the notice convening the meeting.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the SHA. For more details in relation to the SHA, see *"History and Certain Corporate Matters – Shareholders' agreements and other agreements"* on page 178.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at www.honasa.in/[●], and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

(1) Offer Agreement dated December 28, 2022, amongst our Company, the Selling Shareholders and the BRLMs.

(2) Registrar Agreement dated December 23, 2022, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Banks Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Account Bank and the Refund Bank(s).

(4) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent.

(5) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.

(6) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

(1) Certified copies of updated MoA and AoA, amended from time to time.

(2) Certificates of incorporation of the Company dated September 16, 2016 and November 11, 2022 issued to our Company, issued by the RoC.

(3) Resolution of the Board of Directors dated December 15, 2022 authorising the Offer and other related matters.

(4) Resolution of the Board of Directors dated December 23, 2022 approving the DRHP and IPO Committee on December 28, 2022.

(5) Consent letter received from the following Selling Shareholders:

Sl. No.	Name of the Selling Shareholders	Date of the consent letter
1.	Varun Alagh	December 28, 2022
2.	Ghazal Alagh	December 28, 2022
3.	Evolvence India Coinvest PCC, invested through its Cell E	December 26, 2022
4.	Evolvence India Fund III Ltd	December 26, 2022
5.	Fireside Ventures Fund	December 26, 2022
6.	Sofina	December 26, 2022
7.	Stellaris	December 26, 2022
8.	Kunal Bahl	December 26, 2022
9.	Rishabh Harsh Mariwala	December 26, 2022
10.	Rohit Kumar Bansal	December 26, 2022
11.	Shilpa Shetty Kundra	December 28, 2022

(6) Shareholder’s Agreement dated December 16, 2021 entered into between and amongst the Company, the Promoters, Suhail Sameer, Fireside Ventures Trust, Sofina, Fireside Ventures Fund, SCI, Stellaris, Kunal Bahl, Rohit Kumar Bansal, Rishabh Harsh Mariwala and Evolvence India Fund III Ltd read with the letter dated March 31, 2022 from all the Shareholders formally documenting the agreement amongst all the Shareholders on April 1, 2021 for waiver of the buy back obligation of the Company.

(7) SHA Amendment Agreement dated December 15, 2022 to the Shareholder’s Agreement.

(8) Employment Agreement dated December 22, 2022 between Varun Alagh and our Company.

(9) Employment Agreement dated December 22, 2022 between Ghazal Alagh and Company.

(10) Written consent dated December 28, 2022 from our Statutory Auditor, namely, S.R. Batliboi & Associates LLP to include their names as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in in respect of their (a) examination report dated December 15, 2022 on the Restated Ind AS Summary Statements, and (b) report dated December 28, 2022 on the statement of special tax benefits and such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

(11) The examination report dated December 15, 2022 of our Statutory Auditor on the Restated Ind AS Summary Statements, included in this Draft Red Herring Prospectus.

(12) The statement of possible special tax benefits dated December 28, 2022 from our Statutory Auditors.

(13) Consents of our Directors, our Company Secretary and Compliance Officer, legal advisors advising in this Offer, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, and the Registrar to the Offer.

(14) Written consent letter dated December 28, 2022 from B.B. & Associates, Chartered Accountants from ICAI, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

(15) Resolution dated December 23, 2022 passed by the Audit Committee approving the KPIs for disclosure;

(16) Consent letter dated December 28, 2022 from RedSeer with respect to RedSeer Report.

(17) Consent letter dated December 8, 2022 issued by GoldVIP Technology Solutions Private Limited.

(18) Consent letter dated December 15, 2022 issued by NielsenIQ (India) Private Limited.

(19) Certificate dated December 23, 2022 issued by B.B. & Associates, Chartered Accountants certifying the KPIs of the Company.

(20) Share purchase and share subscription agreement dated December 22, 2021 entered between our Company, Vishal Gupta, Prashant Sinha, Mohamed Asif, Just4Kids, amongst others along with the addendum to the share purchase and share subscription agreement dated June 24, 2022.

(21) Memorandum of understanding dated October 20, 2022 entered between our Company, Vishal Gupta, Prashant Sinha, Mohamed Asif and Just4Kids.

(22) Shareholders agreement dated December 22, 2021 as amended by the amendment agreement dated June 24, 2022 entered between our Company, Just4Kids, Vishal Gupta, Prashant Sinha and Mohamed Asif.

(23) Share purchase and share subscription agreement dated February 17, 2022 entered between our Company, Fusion, Aneesh Sheth, Ashit Sheth, amongst others.

(24) Share purchase agreement dated October 20, 2022 executed between our Company, Fusion and Aneesh Sheth.

(25) Shareholders agreement dated February 17, 2022 as amended by the addendum agreement dated August 11, 2022, each entered between our Company, Fusion, Aneesh Sheth.

(26) 1st addendum to the shareholders agreement dated February 17, 2022 entered between Fusion, our Company and Aneesh Sheth.

(27) Industry Report titled "Report on Beauty and Personal Care Market in India" dated December 2022 prepared and issued by RedSeer and commissioned and paid for by the Company, exclusively for the purpose of this Offer.

(28) Copies of annual reports of our Company for the preceding three Fiscals.

(29) Due Diligence Certificate dated December 28, 2022 addressed to SEBI from the BRLMs.

(30) In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

(31) Tripartite agreement dated December 6, 2021 amongst our Company, NSDL and the Registrar to the Offer.

(32) Tripartite agreement dated August 5, 2022 amongst our Company, CDSL and the Registrar to the Offer.

(33) SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Varun Alagh

Chairman, Whole-time Director and Chief Executive Officer

Place: Gurugram

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ghazal Alagh
Whole-time Director and Chief Innovation Officer

Place: Gurugram

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ishaan Mittal
Non-Executive Director

Place: Bengaluru

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vivek Gambhir
Independent Director

Place: Delhi

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Subramaniam Somasundaram
Independent Director

Place: Bengaluru

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Namita Gupta
Independent Director

Place: Gurugram

Date: December 28, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Raman Preet Sohi
Chief Financial Officer

Place: Gurugram

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Varun Alagh, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, as a Promoter Selling Shareholder for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Varun Alagh

Place: Gurugram

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Ghazal Alagh, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as a Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility, as a Promoter Selling Shareholder for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Ghazal Alagh

Place: Gurugram

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

We, Evolvence India Coinvest PCC, invested through its Cell E, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. Evolvence India Coinvest PCC, invested through its Cell E, assumes no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Evolvence India Coinvest PCC, *invested through its Cell E*

Authorised Signatory: Gulshan Raj Ramgoolam

Place: Mauritius

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

We, Evolvence India Fund III Ltd, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. Evolvence India Fund III Ltd., assumes no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Evolvence India Fund III Ltd

Authorised Signatory: Gulshan Raj Ramgoolam

Place: Mauritius

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

We, Fireside Ventures Investment Fund – I, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. Fireside Ventures Investment Fund – I, assumes no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Fireside Ventures Investment Fund – I

(a scheme of Fireside Ventures Investment Trust)
acting through its trustee Catalyst Trusteeship Limited (erstwhile Milestone Trusteeship Services Pvt Ltd)
and duly represented by its investment manager Fireside Investment Advisory LLP

Authorised Signatory: Kanwaljit Singh

Place: Bangalore

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

We, Sofina Ventures S.A., hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. Sofina Ventures S.A., assumes no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Sofina Ventures S.A.

Authorised Signatory: Amélie Lagache / Wauthier de Bassompierre

Place: Brussels

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

We, Stellaris Venture Partners India I, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. Stellaris Venture Partners India I, assumes no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Signed on behalf of Stellaris Venture Partners India I (a scheme of Stellaris Venture Partners India Trust) acting through its trustee Catalyst Trusteeship Limited (erstwhile Milestone Trusteeship Services Pvt Ltd) and duly represented by its investment manager Stellaris Advisors LLP

Authorised Signatory: Rahul Chowdhri

Place: Bangalore

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Kunal Bahl, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as an Other Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Kunal Bahl

Place: Delhi

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Rishabh Harsh Mariwala, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as an Other Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Rishabh Harsh Mariwala

Place: Mumbai

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Rohit Kumar Bansal, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as an Other Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Rohit Kumar Bansal

Place: Gurgaon

Date: December 28, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Shilpa Shetty Kundra, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Draft Red Herring Prospectus in relation to me, as an Other Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as an Other Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

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Shilpa Shetty Kundra

Place: Mumbai

Date: December 28, 2022