



HONASA CONSUMER LIMITED



(Please scan this QR code to view the RHP and the Abridged Prospectus)

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 188 of the Red Herring Prospectus dated October 23, 2023 ("RHP").

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: 10th & 11th Floor, Capital Cyberscape, Ullahwas, Sector 59, Gurugram 122 102, Haryana, India, Contact person: Dhanraj Dagar, Company Secretary and Compliance Officer; Telephone: +91 124 4071960; 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 ₹ 3,650.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 41,248,162 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 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 PRIVATE LIMITED) AND DULY REPRESENTED BY ITS INVESTMENT MANAGER, FIRESIDE INVESTMENT ADVISORY LLP, UP TO 9,566,974 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SOFINA VENTURES S.A. AND UP TO 10,942,522 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 1,193,250 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KUNAL BAHL, UP TO 5,700,188 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY RISHABH HARSH MARIWALA, UP TO 1,193,250 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY ROHIT KUMAR BANSAL AND UP TO 1,393,200 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 ₹ 10 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.

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**
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 9,566,974 Equity Shares aggregating up to ₹ [●] million	112.07
Stellaris	Investor Selling Shareholder	Up to 10,942,522 Equity Shares aggregating up to ₹ [●] million	7.82

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) [#]
Kunal Bahl	Other Selling Shareholder	Up to 1,193,250 Equity Shares aggregating up to ₹ [●] million	3.21
Rishabh Harsh Mariwala	Other Selling Shareholder	Up to 5,700,188 Equity Shares aggregating up to ₹ [●] million	6.05
Rohit Kumar Bansal	Other Selling Shareholder	Up to 1,193,250 Equity Shares aggregating up to ₹ [●] million	3.21
Shilpa Shetty Kundra	Other Selling Shareholder	Up to 1,393,200 Equity Shares aggregating up to ₹ [●] million	41.86

[#] As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

** Negligible as below 0.01

Honasa Consumer Limited is a company focused on beauty and personal care business. Our product 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 professional salons chain, BBlunt Salons.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations.

QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer | Retail Portion: Not more than 10% of the Offer.

Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 10 million

PRICE BAND: ₹308 TO ₹324 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 30.80 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 32.40 TIMES THE FACE VALUE OF THE EQUITY SHARES.

SINCE COMPANY HAS INCURRED LOSS IN FINANCIAL YEAR 2023 BASED ON RESTATED IND AS SUMMARY STATEMENTS, THE BASIC AND DILUTED EPS IS NEGATIVE, AND HENCE, THE PRICE TO EARNINGS RATIO IS NOT ASCERTAINABLE.

BIDS CAN BE MADE FOR A MINIMUM OF 46 EQUITY SHARES AND IN MULTIPLES OF 46 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹30 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated October 25, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "*Basis for Offer Price*" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "*Basis for Offer Price*" section on page 122 of the RHP and provided below in the advertisement.

In making an investment decision, potential investors must rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation to price band, potential Investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/ reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLMs.

RISKS TO INVESTORS

- Losses in the past:** We have recorded losses in the past for Financial Years 2021 and 2023, and the three months period ended June 30, 2022, wherein our restated losses were ₹13,322.15 million, ₹1,509.66 million, and ₹115.26 million, respectively. Any losses in the future may adversely impact our business and the value of the Equity Shares.
- Price Risk:** Since Company has incurred loss in Financial Year 2023 based on Restated Ind AS Summary Statements the basic and diluted EPS is negative and hence, the price to earnings ratio is not ascertainable. Average P/E ratio for our listed competitor entities is 53.63, while our company's P/E is not ascertainable. The Price Band, Offer Price, market capitalization to total turnover and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.
- Dependence on Contract Manufacturers:** 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. In the Financial Years 2021, 2022 and 2023, and the three months period ended June 30, 2022 and June 30, 2023, the average value of purchase of traded goods from our top three manufacturers for each year/period were ₹439.19 million, ₹720.40 million, ₹832.96 million, ₹244.79 million and ₹232.75 million, respectively, and the top three manufacturers for each year/period contributed to 81.95%, 70.97%, 51.73%, 61.02% and 46.01% of the total value of our purchase of traded goods, respectively. Our dependence on third-party manufacturers for the manufacturing of all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.
- The last preferential allotment by our Company was on September 13, 2022 at an issue price of ₹ 262.40 per equity share. For further details, see "*Capital Structure – Notes to the Capital Structure – Share capital history of our Company – Equity share capital*" on page 88 of the RHP. 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.
- Additionally, our Offer Price may be higher than the acquisition price of our Shareholders. Further, WACA of Equity Shares that were issued by our Company (primary transactions) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company, the WACA of Equity Shares that were acquired or sold by way of 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 the Red Herring Prospectus and the weighted average cost of acquisition of all shares transacted in the last three years, 18 months and one year is as follows:

Past Transactions	Weighted average cost of acquisition (in ₹per equity share) [^]
WACA of Equity Shares that were issued by the Company (primary transactions)	37.70
WACA of Equity Shares that were acquired or sold by way of secondary transactions	227.30

[^]As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

Period	Weighted average cost of acquisition (in ₹per equity share) [^]
Last 3 years	33.42
Last 18 months	28.44
Last 1 year	50.92

[^]As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

- Product Concentration Risk:** We derive a significant amount of revenue from a limited number of products. In Financial Years 2021, 2022 and 2023, and the three months period ended June 30, 2022 and June 30, 2023 we derived 30.38%, 30.17%, 27.38%, 29.20% and 29.10% of our revenue from operations, respectively, from the sales of our top 10 products. Any decrease in the sales of our key products will adversely affect our business, cash flows, financial condition and results of operations.
- Substantial revenue from single brand:** For the Financial Years 2021, 2022 and 2023, and the three months period ended June 30, 2022 and June 30, 2023, our revenue from operations from our Mamaearth brand amounted to ₹4,418.83 million, ₹8,670.58 million, ₹11,680.18 million, ₹2,567.79 million and ₹3,036.34 million, respectively, representing 96.06%, 93.04%, 81.94%, 87.09% and 67.06% of our total revenue from operations (excluding revenue from sale of services), respectively. Given substantial majority of our revenue from operations comes from the sale of products under our flagship Mamaearth brand, any decrease in demand for our Mamaearth branded products could have an adverse effect on our business, cash flows and results of operations.
- Advertisement Expenditure:** We have in the past incurred significant advertisement expenses which has contributed to the growth in our revenue from operations in the past. For the Financial Years 2021, 2022 and 2023, and the three months period ended June 30, 2022 and June 30, 2023, our advertisement expense as a percentage of revenue from operations was 38.68%, 41.49%, 35.52%, 41.33% and 34.99%, respectively. If we reduce our advertisement expenses in the future, there is no assurance that we will be able to maintain similar growth in revenue from operations in the future as compared to previous years/periods.
- 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.
- Reliance on celebrities and social media influencers as part of our marketing strategy may adversely affect our business and demand for our services.
- We rely on our relationships with certain marketplaces and web traffic drivers for sales through our online channel. Any failure by us to maintain such relationships may adversely affect our business, results of operations, financial condition and cash flows. For the Financial Years 2021, 2022 and 2023, and the three months period ended June 30, 2022 and June 30, 2023, our revenue from online channels constituted 81.37%, 69.91%, 59.36%, 62.86% and 64.01% of our revenue from operations (including sale of services) for the same year/period, respectively.
- We have experienced negative cash flows from operating, investing and financing activities in the past.
- Competition Risk:** The beauty and personal care industry is intensely competitive. Failure by us to compete effectively may have an adverse effect on our business and profitability.

14. Our Subsidiaries which we have acquired in the past, including Just4Kids, BBlunt, B:Blunt Spratt and Fusion, have incurred losses for certain historical periods. There is no assurance that these entities will be profitable in the future.
15. 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
16. **Weighted Average Return on Net Worth (RoNW):** Weighted Average RoNW for past three Fiscals i.e. 2023, 2022 and 2021 is (11.04%).
17. **Average cost of acquisition:** Average cost of acquisition of equity shares for the Selling Shareholders is as given below and Issue Price at upper end of the Price Band is ₹ 324.

Name	No. of Equity Shares acquired since inception	Weighted average price of Equity Shares acquired since inception^
Promoter Selling Shareholders		
Varun Alagh	106,838,518	Negligible**
Ghazal Alagh	10,165,412	Negligible**
Selling Shareholders		
Stellaris	29,553,900	7.82
Fireside Ventures Fund	32,327,400	7.33
Sofina	29,541,000	112.07
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	41.86

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

** Negligible as below 0.01.

18. **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	Highest Acquisition Price (in ₹)
Last 3 years	33.42	9.69	262.41***
Last 18 months	28.44	11.39	262.41***
Last 1 year	50.92	6.36	262.41***

^As certified by B.B. & Associates, Chartered Accountants, by way of their certificate October 23, 2023. | **Lowest Acquisition price of Equity Shares acquired is Rs. Nil as the shares have been acquired pursuant to gifts. | #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.

19. **Market Capitalization to Revenue from Operations:** At floor and cap prices, our Market Capitalization to Revenue from Operations is as follows:

Particulars	At Floor Price (₹ 308)	At Cap Price (₹ 324)
	Fiscal 2023	Fiscal 2023
	(x times)	(x times)
Market capitalization to revenue from operations	6.70	7.03

20. **Fresh Issue Proceeds:** Net Proceeds from the Fresh Issue will be utilized for (i) advertisement expenses towards enhancing the awareness and visibility of our brands, (ii) capital expenditure to be incurred by our Company for setting up new Exclusive Business Outlets, (iii) investment in our Subsidiary, Bhabani Blunt Hairdressing Private Limited for setting up new salons, and (iv) general corporate purposes and unidentified inorganic acquisition. The amount to be utilised for general corporate purposes and towards unidentified inorganic acquisition shall not, in aggregate, exceed 35% of the Net Proceeds, out of which the amounts to be utilised towards either of (i) general corporate purposes, or (ii) unidentified inorganic acquisitions will not exceed 25% of the Net Proceeds.
21. **Offer For Sale:** The Selling Shareholders will be offering their Equity Shares for sale in our initial public offering (“Offer for Sale”). Our Company will not receive any proceeds from the Offer for Sale portion.
22. **Details of price at which Equity Shares were acquired in the last three years preceding the date of the 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 the 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	Number of equity shares acquired	Acquisition price per equity share ^a (in ₹)	Acquisition price per equity share adjusted for bonus issuance, buy back, subdivision of equity shares (in ₹)
Promoter Selling Shareholders				
Varun Alagh	May 11, 2022	106,829,518	Nil**	Nil**
Ghazal Alagh	May 11, 2022	10,164,412	Nil**	Nil**
Promoter Group				
Mukesh Alagh	September 22, 2022	50,000	Nil**	Nil**
Jaspal Alagh	September 22, 2022	50,000	Nil**	Nil**
Sunita Sahni	September 22, 2022	100,000	Nil**	Nil**
Varun Alagh Trust	October 3, 2023	500	Nil**	Nil**
Ghazal Alagh Trust	October 3, 2023	500	Nil**	Nil**
Selling Shareholders				
Stellaris	May 11, 2022	1,844,557	Nil**	Nil**
Fireside Ventures Fund	May 11, 2022	1,844,557	Nil**	Nil**
Sofina	March 4, 2021	220	1,088,755	84.40
Sofina	March 19, 2021	10	1,088,755	84.40
Sofina	March 8, 2022	26	3,385,049	262.41
Sofina	May 11, 2022	3,302,144	Nil**	Nil**
Shilpa Shetty Kundra	May 11, 2022	1,393,092	Nil**	Nil**
Shilpa Shetty Kundra	September 13, 2022	230,435	262.40	262.40
Fireside Ventures Fund	October 3, 2023	30,482,700	NA	Nil^
Stellaris	October 3, 2023	27,709,200	NA	Nil^
Sofina	October 3, 2023	26,238,600	NA	Nil^
Rishabh Harsh Mariwala	October 3, 2023	9,120,300	NA	Nil^
Kunal Bahl	October 3, 2023	2,386,500	NA	Nil^
Rohit Kumar Bansal	October 3, 2023	2,386,500	NA	Nil^
Sequoia Capital	January 27, 2022	191	3,385,049	262.41
Sequoia Capital	February 11, 2022	30	3,385,049	262.41
Sequoia Capital	May 11, 2022	2,850,679	Nil**	Nil**
PXV VI	May 11, 2022	5,159,600	Nil**	Nil**
PXV VI	October 3, 2023	55,444,200	NA	Nil^
Sequoia Capital	October 3, 2023	11,248,800	NA	Nil^

^aAs certified by B.B. & Associates, Chartered Accountants, pursuant to their certificate dated October 23, 2023.

**The acquisition price is Nil since the allotment/ transfer was pursuant to bonus issuance or gift, as applicable.

^bRounded off to the nearest whole number

[^]The price per Equity Share upon conversion derived by (total number of NCCCPs held) x (cost price per NCCCPs) divided by (total number of Equity Shares derived upon conversion of the NCCCPs), is ₹7.23 for Fireside Ventures Fund, ₹113.27 for Sofina, ₹7.73 for Stellaris, ₹6.05 for Rishabh Harsh Mariwala, ₹3.21 for Kunal Bahl and ₹3.21 for Rohit Kumar Bansal.

23. **The 4 BRLMs associated with the Offer have handled 63 public issues in the past three years out of which 17 issues closed below the issue price on listing date:**

Name of the BRLM	Total Issues	Issues closed below IPO Price on listing date
Kotak Mahindra Capital Company Limited	13	2
Citi Global Markets India Private Limited	0	0
JM Financial Limited	23	6
J.P. Morgan India Private Limited	1	1
Common Issues of all BRLMs	26	8
Total	63	17

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE:
MONDAY, OCTOBER 30, 2023

BID/OFFER OPENS ON:
TUESDAY, OCTOBER 31, 2023*

BID/OFFER CLOSES ON:
THURSDAY, NOVEMBER 2, 2023**

*The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date. | **The UPI mandate end time and date shall be at 5:00 p.m. on i.e. Thursday, November 2, 2023.

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 30.80 times the face value at the lower end of the Price Band and 32.40 times the face value at the higher end of the Price Band. 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 36, 74, 154, 220 and 319 of the RHP, 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; and
- Founder led company with a strong professional management.

For details, see “Our Business – Our Competitive Strengths” on page 159 of the RHP.

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 220 and 310 of the RHP, 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, 2023	(4.66)	(4.66)	3
March 31, 2022	0.53	0.52	2
March 31, 2021	(98.35)	(98.35)	1
Weighted Average	(18.54)	(18.55)	
Three months period ended June 30, 2023*	0.85	0.83	
Three months period ended June 30, 2022*	(0.30)	(0.30)	

*Not annualized

Notes:

- 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
- 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.
- 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.
- Basic EPS and Diluted EPS for three months ended June 30, 2023 and June 30 2022 and fiscal period ended March 31, 2023 are further adjusted for the changes in equity share capital pursuant to conversion of outstanding NCCCPs into equity shares and proposed issuance of equity shares against the outstanding options granted to the employees under the ESOP scheme 2018 and ESOP scheme 2021.
- Our Company has issued bonus shares to the shareholders at conversion ratio of 12,899: 1 on May 11, 2022. The weighted average number of shares for the year ended March 31, 2022 and March 31, 2021 have been adjusted to reflect the impact of bonus issue as per Ind AS 33.
- Our Company has split Rs.100 face value equity share to ₹10 each and ₹90 each on April 28, 2022. The Equity shares of ₹90 each are non-voting shares and our Company has subsequently bought back the same on September 22, 2022.
- The figures disclosed above are derived from the Restated Ind AS Summary Statements of our Company.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹308 to ₹324 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, 2023	N.A.	N.A.
Based on diluted EPS for year ended March 31, 2023	N.A.	N.A.

Since Basic and Diluted Earnings Per Share for year ended March 31, 2023 is negative P/E ratio of our Company is not ascertainable.

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. 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 such listed companies as our competitors in respect of their BPC products segment. See “Comparison with Listed Industry Peers” on page 126 of the RHP. The below industry averages are based on the information pertaining to such listed companies covered later in this section:

Particulars	Industry P/E
Highest	83.12
Lowest	25.65
Average	53.63

D. Return on Net worth (“RoNW”)

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2023	(23.57%)	3
March 31, 2022	2.23%	2
March 31, 2021	N. A.^	1
Weighted Average	(11.04%)	-
Three months period ended June 30, 2023*	4.07%	
Three months period ended June 30, 2022*	(1.33%)	

*Not annualized

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

Notes:

- 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
- Net worth is computed as the sum of the aggregate value of the paid-up 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, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
- 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.
- 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 June 30, 2023	20.29
As on June 30, 2022	22.31
As on March 31, 2023	19.27
As on March 31, 2022	23.42
As on March 31, 2021	N.A.^
After the completion of the Offer	
-At the Floor Price	31.13
-At the Cap Price	31.18
Offer Price	●

^Since net worth is negative for the fiscal year ended March 31, 2021, NAV is not derived here

Notes:

- 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 2018 and ESOP 2021.
- The figures disclosed above as on June 30, 2023 and March 31, 2023 are derived from the Restated Ind AS Summary Statements of the Company.
- Our Company has split ₹100 face value equity share to ₹10 each and ₹90 each on April 28, 2022. Our Company has issued bonus shares to the shareholders at conversion ratio of 12,899: 1, considering they rank pari passu to the ₹10 face value equity shares. The Equity shares of ₹90 each are non-voting shares and our Company has subsequently bought back the same on September 22, 2022.

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 October 13, 2023 approved the list of KPIs for disclosure in the 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 the 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 October 13, 2023.

A list of our KPIs for the three months’ period ended June 30, 2023 and June 30, 2022 and Financial Years 2023, 2022 and 2021 is set out below:

Metric	Unit	Three months period ended June 30, 2023	Three months period ended June 30, 2022	Financial Year ended 2023	Financial Year ended 2022	Financial Year ended 2021
Number of brands	Number	6	6	6	5	2
Revenue from operations	(₹ in million)	4,644.87	3,122.45	14,927.48	9,434.65	4,599.90
Revenue from online channels	(₹ in million)	2,973.18	1,962.65	8,861.04	6,595.34	3,742.93

Revenue from offline channels	(₹ in million)	1,554.76	996.20	5,394.08	2,723.38	856.97
Revenue from services	(₹ in million)	116.93	163.60	672.36	115.93	—
Revenue Growth	%	48.76%	NA	58.22%	105.11%	319.00%
Gross Profit ⁽¹⁾	(₹ in million)	3,299.19	2,265.89	10,460.15	6,600.26	3,272.84
Gross Profit Margin ⁽²⁾	%	71.03%	72.57%	70.07%	69.96%	71.15%
EBITDA (3)	(₹ in million)	293.10	(124.35)	227.64	114.59	(13,340.33)
EBITDA Margin ⁽⁴⁾	%	6.31%	(3.98)%	1.52%	1.21%	(290.01)%
Adjusted EBITDA ⁽⁵⁾	(₹ in million)	349.89	(56.11)	509.14	302.49	313.64
Adjusted EBITDA Margin ⁽⁶⁾	%	7.53%	(1.80)%	3.41%	3.21%	6.82%
Working capital days of sale ⁽⁷⁾	Days	(5)	(15)	(1)	(14)	(2)
Invested Capital in Business ⁽⁸⁾	(₹ in million)	398.99	(863.20)	551.92	(812.05)	(16.51)
Contribution of sales from new SKUs to increase in revenue ⁽⁹⁾	%	25.46%	NA	56.58%	42.17%	39.75%
Volume Growth ⁽¹⁰⁾	%	44.14%	NA	68.23%	143.30%	298.42%
Restated Profit/(loss) before tax	(₹ in million)	339.53	(140.31)	(1,410.40)	224.39	(13,246.09)
Restated Profit/(loss) after tax	(₹ in million)	247.15	(115.26)	(1,509.66)	144.43	(13,322.15)

Notes:

- Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods.
- Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations.
- EBITDA is calculated as restated profit /(loss) for the period/year plus tax expense, finance cost, depreciation, amortization expenses and exceptional items (impairment loss on goodwill and other intangible assets) less other income.
- EBITDA Margin is the percentage of EBITDA divided by revenue from operations.
- 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), share based payment expense (cash settled) and exceptional items (impairment loss on goodwill and other intangible assets) less other income.
- Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.
- Working Capital Days of Sale is calculated as Net Working Capital divided by revenue calculated on a daily basis.
- 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.
- 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
- Volume Growth refers to used for the purpose of calculating growth of volume, the number of units delivered during a given period divided by the number of units delivered in the immediately preceding period.

KPIs are reflective of material acquisitions carried out by our Company for the year ended March 31, 2021, March 31, 2022 and March 31, 2023 and for the three months period ended June 30, 2022 and June 30, 2023.

The increase in contribution of the material acquisitions to overall Group is not significant.

For details of our other operating metrics disclosed elsewhere in the Red Herring Prospectus, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 154 and 319 of the RHP, 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 61 of the RHP.

For detailed description of each of our KPIs, please refer pages 125 and 126 of the RHP.

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.

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 such listed companies as our competitors in respect of their BPC products segments. Following is the comparison with such listed companies:

Name of the Company	Revenue from Operations (in ₹ million)	Face Value (₹)	EV^/ Revenue from Operations (x times)		EV^/ Gross Profit^^ (x times)		P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	Revenue CAGR (%)	Return on Networth (%)	NAV per Share (₹)
			At Floor Price (₹ 308)	At Cap Price (₹ 324)	At Floor Price (₹ 308)	At Cap Price (₹ 324)						
Honasa Consumer Limited*	14,927.48	10	6.40	6.73	9.13	9.61	N.A.***	(4.66)	(4.66)	80.14%	(23.57)%	19.27
Competitor Entities**												
Hindustan Unilever Limited	605,800.00	1	9.77		20.50		59.16	43.07	43.07	13.50%	20.08%	215.02
Colgate Palmolive (India) Limited	52,261.97	1	10.68		16.27		54.25	38.50	38.50	3.90%	61.01%	63.11
Procter & Gamble Hygiene and Health Care Limited	39,179.00	10	14.13		24.54		83.12	208.91	208.91	4.70%	71.68%	291.44
Dabur India Limited	115,299.00	1	8.10		17.75		54.53	9.64	9.61	9.81%	18.02%	53.29
Marico Limited	97,640.00	1	7.15		16.77		54.28	10.08	10.05	10.15%	33.42%	30.59
Godrej Consumer Products Limited	133,159.70	1	7.41		14.93		59.09	16.65	16.65	9.88%	12.34%	134.88
Emami Limited	34,057.30	1	6.42		9.92		34.82	14.50	14.50	8.73%	27.13%	52.43
Bajaj Consumer Care Limited	9,608.73	1	2.98		5.49		25.65	9.48	9.47	2.10%	17.63%	55.10
Gillette India Limited	24,770.50	10	8.12		15.61		57.82	109.15	109.15	11.03%	35.97%	303.47

Source:

*All the financial information for the Company above is on a consolidated basis. The Basic EPS, Diluted EPS, Net Worth and the number of equity shares as at and for the Fiscal ended March 31, 2023 have been adjusted to give effect to the consequent changes in share capital pursuant to conversion of outstanding NCCCPs into equity shares and proposed issuance of equity shares against the outstanding options granted to the employees under the ESOP 2018 and ESOP 2021. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the Basic EPS, Diluted EPS, Net Worth and the number of equity shares outstanding as at the end of the year have not been derived from Restated Ind AS Summary Statements. For reconciliation and further details, see “Other Financial Information” on page 310 of the RHP.

**All the financial information for the competitor entities mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2023 / June 30, 2023 (as applicable) submitted to Stock Exchanges.

*** Since Basic and Diluted Earnings Per Share for year ended March 31, 2023 is negative P/E ratio of our Company is not ascertainable.

^EV refers to Enterprise Value which is computed as Total Market Capitalization and Net Adjusted Debt as of June 30, 2023 (as per Restated Ind AS Summary Statements). Total Market Capitalization is the product of the post-Offer outstanding Equity Shares multiplied by the Floor Price of ₹ 308 and Cap Price of ₹ 324 per Equity Share for the Company.

^^Gross Profit refers to revenue from operations less purchase of traded goods less increase in inventories of traded goods for the Company.

Notes for competitor entities:

- For Procter & Gamble Hygiene & Health Care Limited and Gillette India Limited, data is for the Fiscal ended/ as at June 30, 2023.
- For the competitor entities, the Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the financial statements of the companies respectively for the Fiscal ended March 31, 2023 / June 30, 2023 (as applicable).
- EV/ Revenue from Operations and EV/ Gross Profit has been computed based on the Total Market Capitalization on NSE on October 19, 2023 and P/E Ratio has been computed based on the closing market price of equity shares on NSE on October 19,2023 divided by the Basic EPS as at March 31, 2023 / June 30, 2023 (as applicable).
- Return on Net Worth (%) = Profit/(loss) for the year ended March 31, 2023 / June 30, 2023 (as applicable) divided by Total Equity of the Company as on March 31, 2023 / June 30, 2023 (as applicable).
- NAV refers to Net Asset Value per Equity Share and is computed as the Total Equity of the Company as on March 31, 2023 / June 30, 2023 (as applicable) divided by the outstanding number of equity shares as on March 31, 2023/ June 30, 2023 (as applicable).
- EV refers to Enterprise Value which is computed as Total Market Capitalization (on NSE as on October 19, 2023) plus Net Debt (as on latest reported balance sheet date).
- Net Debt has been computed as Current borrowings add Non-current borrowings less Cash and cash equivalents less Bank balances other than cash and cash equivalents less Current Investments as on March 31, 2023 / June 30, 2023 (as applicable).
- Gross Profit has been computed as total revenue from operations less cost of materials consumed less purchase of traded goods less changes in inventories of finished goods, stock-in-trade and work-in-progress (as applicable).
- Revenue CAGR refers to the compounded annual growth rate in revenue from operations, which is the average growth rate over Fiscal ended March 31, 2021/ June 30, 2021 (as applicable) and Fiscal ended March 31, 2023 / June 30, 2023 (as applicable).
- For Bajaj Consumer Care Limited, outstanding number of equity shares as on March 31, 2023 includes shares bought back pending extinguishment.

...continued from previous page.

I. Comparison of KPIs with Listed Industry Peers for the periods included in the Restated Ind AS Summary Statements

There are no listed companies in India and globally that are of comparable size from the same industry as that of 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 such listed companies as our competitors in respect of their BPC products segments. The following table provides a comparison of the KPIs of our Company with our listed competitors on Indian Stock Exchanges:

	Revenue from Operations (₹ in million)					Revenue Growth (%)					Gross Profit (₹ in million)					Gross Profit Margin (%)				
	Period/year ended					Period/year ended					Period/year ended					Period/year ended				
	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Honasa Consumer Limited	4,644.87	3,122.45	14,927.48	9,434.65	4,599.90	48.76%	NA	58.22%	105.11%	319.00%	3,299.19	2,265.89	10,460.15	6,600.26	3,272.84	71.03%	72.57%	70.07%	69.96%	71.15%
Competitor Entities																				
Hindustan Unilever Limited	154,960.00	146,240.00	605,800.00	524,460.00	470,280.00	5.96%	-	15.51%	11.52%	-	78,170.00	69,600.00	288,640.00	267,110.00	248,800.00	50.45%	47.59%	47.65%	50.93%	52.90%
Colgate Palmolive (India) Limited	13,236.70	11,968.10	52,261.97	50,997.82	48,412.16	10.60%	-	2.48%	5.34%	-	9,057.80	7,937.50	34,320.13	34,322.61	32,918.44	68.43%	66.32%	65.67%	67.30%	68.00%
Procter & Gamble Hygiene and Health Care Limited	8,525.30	7,763.80	39,179.00	39,009.20	35,741.40	9.81%	-	0.44%	9.14%	-	4,927.50	3,973.70	22,548.70	23,416.30	24,148.40	57.80%	51.18%	57.55%	60.03%	67.56%
Dabur India Limited	31,304.70	28,224.30	115,299.00	108,887.00	95,617.00	10.91%	-	5.89%	13.88%	-	14,587.50	12,943.20	52,612.20	52,490.00	47,727.00	46.60%	45.86%	45.63%	48.21%	49.91%
Marico Limited	24,770.00	25,580.00	97,640.00	95,120.00	80,480.00	-3.17%	-	2.65%	18.19%	-	12,380.00	11,520.00	44,130.00	40,760.00	37,780.00	49.98%	45.04%	45.20%	42.85%	46.94%
Godrej Consumer Products Limited	34,489.10	31,249.70	133,159.70	122,765.00	110,286.20	10.37%	-	8.47%	11.31%	-	18,534.40	14,557.70	66,131.80	62,014.10	60,992.00	53.74%	46.59%	49.66%	50.51%	55.30%
Emami Limited	8,256.60	7,733.10	34,057.30	31,872.23	28,805.27	6.77%	-	6.86%	10.65%	-	5,400.70	4,872.20	22,043.70	21,141.56	19,513.01	65.41%	63.00%	64.73%	66.33%	67.74%
Bajaj Consumer Care Limited	2,701.67	2,494.41	9,608.73	8,799.57	9,218.14	8.31%	-	9.20%	-4.54%	-	1,497.65	1,383.59	5,209.56	5,111.86	5,920.98	55.43%	55.47%	54.22%	58.09%	64.23%
Gillette India Limited	6,194.40	5,528.90	24,770.50	22,561.60	20,094.20	12.04%	-	9.79%	12.28%	-	3,019.90	3,256.00	12,889.20	12,067.00	11,286.90	48.75%	58.89%	52.03%	53.48%	56.17%

	EBITDA (₹ in million)					EBITDA Margin (%)					Restated Profit/(loss) before tax (₹ in million)					Restated Profit/(loss) after tax (₹ in million)				
	Period/year ended					Period/year ended					Period/year ended					Period/year ended				
	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	June 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Honasa Consumer Limited	293.10	(124.35)	227.64	114.59	(13,340.33)	6.31%	(3.98)%	1.52%	1.21%	(290.01%)	339.53	(140.31)	(1,410.40)	224.39	(13,246.09)	247.15	(115.26)	(1,509.66)	144.43	(13,322.15)
Competitor Entities																				
Hindustan Unilever Limited	36,640.00	34,020.00	140,904.00	128,570.00	114,109.00	23.64%	23.26%	23.26%	24.51%	24.26%	34,740.00	32,140.00	133,450.00	118,740.00	106,060.00	25,560.00	23,910.00	101,440.00	88,870.00	80,000.00
Colgate Palmolive (India) Limited	4,181.20	3,256.70	15,470.21	15,659.46	15,096.22	31.59%	27.21%	29.60%	30.71%	31.18%	3,687.60	2,824.10	14,096.73	14,090.10	13,502.19	2,736.80	2,096.70	10,471.40	10,783.20	10,353.85
Procter & Gamble Hygiene and Health Care Limited	2,148.90	670.90	8,686.30	8,298.90	8,919.20	25.21%	8.64%	22.17%	21.27%	24.95%	2,065.80	577.00	8,394.70	7,901.40	8,698.90	1,512.40	425.50	6,781.40	5,757.50	6,517.90
Dabur India Limited	6,045.30	5,433.20	21,624.90	22,520.10	20,016.70	19.31%	19.25%	18.76%	20.68%	20.93%	5,933.60	5,641.20	22,186.80	22,686.80	20,560.00	4,566.10	4,410.60	17,013.30	17,423.00	16,949.50
Marico Limited	5,740.00	5,280.00	18,100.00	16,100.00	16,150.00	23.17%	20.64%	18.54%	17.67%	20.07%	5,670.00	4,990.00	17,430.00	16,010.00	15,230.00	4,360.00	3,770.00	13,220.00	12,550.00	11,990.00
Godrej Consumer Products Limited	6,428.40	5,208.00	24,304.60	23,953.90	23,882.40	18.64%	16.67%	18.25%	19.51%	21.65%	4,798.80	4,543.70	21,327.30	21,552.60	20,803.60	3,188.20	3,451.20	17,024.60	17,833.90	17,208.20
Emami Limited	1,895.10	1,689.50	8,552.58	9,377.91	8,788.76	22.95%	21.85%	25.11%	29.42%	30.51%	1,496.50	846.80	6,695.49	6,880.05	5,689.21	1,367.50	726.90	6,274.12	8,366.70	4,547.09
Bajaj Consumer Care Limited	478.56	364.30	1,412.15	1,739.12	2,434.46	17.71%	14.60%	14.70%	19.76%	26.41%	558.10	409.32	1,687.92	2,064.75	2,703.61	462.21	338.93	1,392.18	1,696.35	2,231.33
Gillette India Limited	1,436.60	1,116.90	5,391.80	4,824.80	4,605.00	23.19%	20.20%	21.77%	21.39%	22.92%	1,236.40	922.20	4,729.00	4,113.30	4,294.60	917.50	675.90	3,556.80	2,893.30	3,103.80

Source: All the financial information for the Company above is on a consolidated basis. For Competitor Entities, all the financial information for the competitor entities mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective company for the fiscal ended March 31 and June 30 (as applicable) and period ended June 30 / September 30 (as applicable) for the respective periods as submitted to Stock Exchanges.

Notes:

For Company:

(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 period/year plus tax expense, finance cost, depreciation, amortization expenses and exceptional items (impairment loss on goodwill and other intangible assets) less other income. (4) EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

For Competitor Entities:

(1) Due to unavailability of reported data for listed competitors for some of the company specific data metrics namely, number of brands in the BPC segment, revenue of BPC segment from online and offline channels, adjusted EBITDA and adjusted EBITDA margin, working capital days sales, invested capital in business, contribution of sales from new SKUs to increase in revenue, and volume growth, the same has not been included in the above comparative tables. (2) For Procter & Gamble Hygiene & Health Care Limited and Gillette India Limited, data is for the fiscal ended June 30 and period ended September 30 of the respective periods. (3) Gross Profit refers to revenue from operations less cost of materials consumed less purchases of stock-in-trade less increase in inventories of finished goods, work-in-progress and stock-in-trade (as applicable). (4) Gross Profit Margin refers to the percentage margin derived by dividing Gross Profit by revenue from operations. (5) EBITDA is calculated as restated profit/(loss) for the period/year plus tax expense, finance cost, depreciation and amortization expenses, exceptional items less other income. (6) EBITDA Margin refers to the percentage of EBITDA divided by revenue from operations.

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 the 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”)

Date of Issuance^	Nature of allotment^	Name of Allottee^	No. of equity shares^	Issue Price per equity share^A	Consideration paid at the time of NCCCPs allotment^A (in ₹ million)
October 3, 2023	Conversion of NCCCPs	Stellaris	27,709,200	NA	214.27
October 3, 2023	Conversion of NCCCPs	Fireside Ventures Fund	30,482,700	NA	220.30
October 3, 2023	Conversion of NCCCPs	PXV VI	55,444,200	NA	1,866.34
October 3, 2023	Conversion of NCCCPs	Sofina	26,238,600	NA	2,972.17
Total			139,874,700		5,273.08
WACA (₹ per Equity Share)					37.70

^APursuant to resolutions each dated October 3, 2023 passed by the Board and Shareholders, (i) 2,148 NCCCPs held by Stellaris were converted to 27,709,200 Equity Shares; (ii) 2,363 NCCCPs held by Fireside Ventures Fund were converted to 30,482,700 Equity Shares; (iii) 4,298 NCCCPs held by PXV VI were converted to 55,444,200 Equity Shares; and (iv) 2,034 NCCCPs held by Sofina were converted to 26,238,600 Equity Shares.

^AAs certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

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 convertible securities, 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 the 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 2, the following are the details basis the last five 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 the Red Herring Prospectus irrespective of the size of transactions:

Date of Transfer of Equity Shares^	Nature of transaction^	Nature of consideration^	Name of Transferor^	Name of Transferee^	Number of Equity Shares acquired^A	Issue price per Equity Share (in ₹)^A	Total consideration (in ₹ million)^A
November 09, 2021	Transfer	Cash	Shilpa Shetty Kundra	Vishal Agrawal	1,54,800	168.27	26.05
December 07, 2021	Transfer	Cash	Shilpa Shetty Kundra	Evolve India Fund III Ltd	1,315,800	173.64	228.48
December 07, 2021	Transfer	Cash	Shilpa Shetty Kundra	Evolve India Coinvest PCC	877,200	173.64	152.32
January 27, 2022	Transfer	Cash	Varun Alagh	Sequoia Capital	2,463,900	262.41	646.54
February 11, 2022	Transfer*	Cash	Mihir Kumar Choudhary	Sequoia Capital	12,900	262.41	3.39
February 11, 2022	Transfer*	Cash	Abhishek Gupta	Sequoia Capital	38,700	262.41	10.16
February 11, 2022	Transfer*	Cash	Kunwarjeet Singh Grover	Sequoia Capital	25,800	262.41	6.77
February 11, 2022	Transfer*	Cash	Ashutosh Kumar Mangain	Sequoia Capital	25,800	262.41	6.77
February 11, 2022	Transfer*	Cash	Vidushi Goyal	Sequoia Capital	12,900	262.41	3.39
February 11, 2022	Transfer*	Cash	Abhishek Raj Pandey	Sequoia Capital	51,600	262.41	13.54
February 11, 2022	Transfer*	Cash	Jayant Chauhan	Sequoia Capital	38,700	262.41	10.16
February 11, 2022	Transfer*	Cash	Raman Preet Sohi	Sequoia Capital	51,600	262.41	13.54
February 11, 2022	Transfer*	Cash	Sambit Dash	Sequoia Capital	38,700	262.41	10.16

February 11, 2022	Transfer*	Cash	Ashish Mishra	Sequoia Capital	38,700	262.41	10.16
February 11, 2022	Transfer*	Cash	Pooja Agrawal	Sequoia Capital	25,800	262.41	6.77
February 11, 2022	Transfer*	Cash	Vipul Maheshwari	Sequoia Capital	12,900	262.41	3.39
February 11, 2022	Transfer*	Cash	Akshit Johri	Sequoia Capital	12,900	262.41	3.39
February 11, 2022	Transfer*	Cash	Fireside Venture Trust	Sequoia Capital	425,700	262.41	111.71
March 08, 2022	Transfer	Cash	Varun Alagh	Sofina	335,400	262.41	88.01
Total					5,959,800		1,354.66
WACA (₹ per Equity Share)							227.30

^ASince 14 transfers were made on February 11, 2022 at the same price per share, 14 transactions have been considered as one transaction for the purpose of above table. Since two transfers were made on December 7, 2021 at the same price per share, these two transactions have been considered as one transaction for the purpose of above table.

Transfers pursuant to gift have been excluded for the purpose of above table.

^ANumber of equity shares acquired and issue price per Equity Share has been adjusted for bonus issuance, buy back, sub-division of equity shares.

^AAs certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023

4. The Floor Price and the Cap Price are 8.17 times and 8.59 times, respectively, of the weighted average cost of acquisition at which the Equity Shares were issued by our Company (as identified in 1 above), and 1.36 times and 1.43 times, respectively, of the weighted average price per share of Equity Shares of our Company that were acquired or sold by way of secondary transactions (as identified in 3 above), as are disclosed below:

Past Transactions^	Weighted average cost of acquisition (in ₹)^A	Floor Price (X times)	Cap Price (X times)
WACA of Equity Shares that were issued by the Company (primary transactions)	37.70	8.17	8.59
WACA of Equity Shares that were acquired or sold by way of secondary transactions	227.30	1.36	1.43

^AAs certified by B.B. & Associates, Chartered Accountants, by way of their certificate dated October 23, 2023.

5. Justification for Basis of Offer price

1. Detailed explanation for Offer Price/Cap Price along with our Company’s KPIs and financial ratios for the periods presented in the Ind AS Summary Statements and in view of the external factors which may have influenced the pricing of the issue, if any.

Set out below is an explanation for Cap Price being 8.59 times and 1.43 times of WACA of Primary and Secondary Issuances respectively along with our Company’s key Performance Indicators and quantitative factors (as stated above) for the periods mentioned above and (b) in view of the external factors which may have influenced the pricing of the Offer. For details of our Company’s KPIs, see – “Key Performance Indicators” above.

- Our Company is the largest digital-first beauty and personal care^(B) (“BPC”) company in India in terms of revenue from operations for the Financial Year 2023 (Source: RedSeer Report).
- Company has a portfolio of six BPC brands with differentiated value propositions. As of Financial Year 2023, 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 Company’s focus is on the BPC category coupled with 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.
- Our Company’s revenue from operations has grown at a CAGR of 80.14% between Financial Years 2021 and 2023 (from ₹4,599.90 million in Financial Year 2021 to ₹14,927.48 million in Financial Year 2023), while the median revenue CAGR of all other BPC companies for which data was available for the relevant period was 28.00% (Source: RedSeer Report).
- We are the largest company in the DTC BPC market in India in terms of revenue generated from the DTC channel in Financial Year 2023 (Source: RedSeer Report).
- Our Company had a market share (in terms of gross merchandise value) aggregating to approximately 5.4

...continued from previous page.

any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. 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.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of the Company, please see the section *"History and Certain Corporate Matters"* on page 188 of the RHP. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section titled *"Material Contracts and Documents for Inspection"* on page 408 of the RHP.

LIABILITY OF THE MEMBERS OF THE COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of the Company is ₹3,400,351,400 divided into 340,000,000 Equity Shares of face value ₹ 10 each, 290 Equity Shares of face value ₹ 90 each, 580 Equity Shares of face value ₹ 100 each and 5,839 Class A NCCCPs, 1,885 Class B NCCCPs, 4,845 Class C NCCCPs, 4,161 Class D NCCCPs, 5,000 Class E NCCCPs and 5,000 Class F NCCCPs each of face value ₹ 10. The issued, subscribed and paid-up share capital of the Company is ₹ 3,104,792,270 divided into 310,479,227 Equity Shares of face value of ₹10 each. For details, please see the section titled *"Capital Structure"* beginning on page 87 of the RHP.

NAMES OF SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are Varun Alagh and Ghazal Alagh who subscribed to 9,000 and 1,000 equity shares, respectively, bearing face value of ₹10. For details of the share capital history and capital structure of our Company, please see the section entitled *"Capital Structure"* beginning on page 87 of the RHP.

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 January 18, 2023 and January 19, 2023, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus has been filed with the RoC in accordance with Section 32 of the Companies Act, 2013, 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 408 of the RHP.

DISCLAIMER CLAUSE OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 365 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF NSE (DESIGNATED STOCK EXCHANGE): It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 367 of the RHP for the full text of the disclaimer clause of NSE.

DISCLAIMER CLAUSE OF BSE: It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 367 of the RHP for the full text of the disclaimer clause of BSE.

GENERAL RISKS: 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 the Red Herring Prospectus. Specific attention of the Bidders is invited to *"Risk Factors"* on page 36 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
					Dhanraj Dagar Company Secretary and Compliance Officer E-mail: compliance@mamaearth.in
Kotak Mahindra Capital Company Limited 1 st 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.ip@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, 12 th 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.cgmb@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Vedika Chitnis SEBI Registration No.: INM000010718	JM Financial Limited 7 th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: honasa.ip@jmfi.com Investor grievance e-mail: grievance.ibd@jmfi.com Website: www.jmfi.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.jpiml@jpmorgan.com Website: www.jpiml.com Contact Person: Nidhi Wangnoo and Himanshi Arora 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.ip@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221	Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

Availability of the RHP: Investors are advised to refer to the RHP and the *"Risk Factors"* beginning on page 36 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, i.e. Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/>, Citigroup Global Markets India Private Limited at www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, JM Financial Limited at www.jmfi.com and J.P. Morgan India Private Limited at www.jpiml.com respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

Availability of the Abridged Prospectus: A copy of the abridged prospectus shall be available on the website of the Company, the BRLMs and the Registrar to the offer at www.honasa.in, <https://investmentbank.kotak.com/>, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.jmfi.com, www.jpiml.com and www.kfintech.com.

Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of the Company **HONASA CONSUMER LIMITED**, Tel: +91 124 4071960 the BRLMs: **Kotak Mahindra Capital Company Limited**, +91 22 4336 0000, **Citigroup Global Markets India Private Limited**, Tel: +91 22 6175 9999, **JM Financial Limited**, Tel: +91 22 6630 3030 and **J.P. Morgan India Private Limited**, Tel: +91 22 6157 3000 and the **Syndicate members: Kotak Securities Limited**, Tel: +022 6218 5410 and **JM Financial Services Limited**, Tel: +022 6136 3400 at the select locations of the Sub-Syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Syndicate members: Kotak Securities Limited, JM Financial Services Limited.

Sub-syndicate members: Almondz Global Securities Ltd, Anand Rathi Share & Stock Brokers Limited, Axis Capital Limited, Centrum Broking Limited, Citigroup Global Markets India Private Limited, Dalal & Broacha Stock Broking Private Limited, Eurekha Stock & Share Brokers Limited, Finwizard Technology Pvt Limited, Globe Capital Markets Ltd, HDFC Securities Limited, ICICI Securities Limited, IDBI Capital Markets and Securities Ltd, IIFL Securities Ltd, J.P. Morgan India Private Limited, Jobanputra Fiscal Services Private Limited, Keynote Capitals Limited, KJMC Capital Market Services Limited, LKP Securities Limited, Motilal Oswal Securities Limited, Nirmal Bang Securities Pvt. Ltd., Nuvama Wealth and Investment Limited (Formerly known as Edelweiss Broking Limited), Prabhudas Lilladher Pvt Ltd, Pravin Ratilal Share & Stock Brokers Limited, Religare Broking Ltd, RR Equity Brokers Private Limited, SBICAP Securities Limited, Sharekhan Ltd, SMC Global Securities Ltd, Systematix Shares and Stock Brokers Ltd, Tradebulls Securities Limited and YES Securities (India) Limited

Bankers to the Offer/Escrow Collection Bank(s), Refund Bank(s) and Public Offer Bank(s): ICICI Bank Limited.

Sponsor Banks: ICICI Bank Limited and HDFC Bank Limited.

UPI: UPI Bidders can also bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For on behalf of HONASA CONSUMER LIMITED

Sd/-

Dhanraj Dagar

Company Secretary and Compliance Officer

Place: New Delhi

Date: October 25, 2023

HONASA CONSUMER LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares ("**Offer**") and has filed a Red Herring Prospectus ("**RHP**") with the Registrar of Companies, Delhi and Haryana at New Delhi ("**RoC**"). The RHP is available on the website of the Company at www.honasa.in, SEBI at www.sebi.gov.in, the website of the National Stock Exchange of India Limited at www.nseindia.com and the website of the BSE Limited at www.bseindia.com and the respective websites of the book running lead managers to the Offer, Kotak Mahindra Capital Company Limited at <https://investmentbank.kotak.com/>, Citigroup Global Markets India Private Limited at www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, JM Financial Limited at www.jmfi.com and J.P. Morgan India Private Limited at www.jpiml.com. Investors should note that investment in equity shares involves a high degree of risk. For details, potential investors should refer to the RHP filed with the RoC, including the section titled *"Risk Factors"* on page 36 of the RHP. Potential investors should not rely on the DRHP. Investors should instead rely on the information disclosed in the RHP.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (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 absent registration under the U.S. Securities Act or 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 (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a) of the U.S. Securities Act, and (b) 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. There will be no public offering of the Equity Shares in the United States.