HONASA CONSUMER LIMITED

Dividend Distribution Policy

(Effective from August 13, 2026)

1. Regulatory Framework

This Policy applies to the distribution of dividend by Honasa Consumer Limited (the "Company") in accordance with the provisions of the Companies Act, 2013 ("Act") and Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations").

Accordingly, in compliance with the aforesaid regulations, the Board of Directors (the "Board") of the Honasa Consumer Limited, has adopted this Policy.

2. Definitions

The terms referred to in the Policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Listing Regulations.

3. Objective

The Company is committed to enhance corporate value by developing/expanding its businesses and at the same appropriately rewarding the Shareholders by distributing dividends to them from time to time out of profits/reserves of the Company.

The objective of this Policy is to provide guidelines to the Board of the Company in balancing the dual objectives of appropriately rewarding Shareholders through dividends and retaining capital to support development/expansion of the Company and maintain a healthy capital adequacy ratio.

This Policy also aims to sets out the key parameters and circumstances that Board need to consider for arriving at the dividend distribution declaration /recommendation. The Board may in extraordinary circumstances, deviate from the guidelines of this Policy by recording the reasons thereof.

The Board has adopted a progressive dividend distribution policy which would under normal circumstance be previous year's actual paid dividend as a floor with increase in line with the Company's growth, while adhering to pay sustainable dividend keeping in view the Company's policy of meeting the long-term growth objectives from internal cash accruals.

4. Circumstances under which the shareholders may or may not expect dividend

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring or recommending dividend. Generally, the Board shall determine the question of declaration or recommendation of dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management and other parameters described in this Policy.

5. Quantum and manner of dividend payout

Subject to the circumstances provided in this Policy, the Company shall endeavour to maintain a total dividend payout ratio in the range of 25% to 75% of the standalone profit after tax of the Company. The aforesaid payout range is indicative in nature and the declaration, recommendation and quantum of dividend shall be determined by the Board based on the factors set out in this Policy and applicable laws.

The Board may declare interim dividend(s) and special dividend(s) as and when if consider it fit and/ or recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

Among other considerations, broadly, dividend may not be declared, if the Board believes there is a need to conserve capital for growth or other exigencies.

6. Parameters for Declaration or Recommendation of Dividend

The Board of Directors of the Company shall consider the following financial / internal and external parameters while declaring or recommending dividend to shareholders:

Financial /Internal Factors	External Factors
➢ Profitable growth of the Company and specifically, profits earned during the financial year as compared with: a. Previous years and b. Internal budgets, ➢ Cash flow position of the Company, ➢ Accumulated reserves ➢ Earnings stability ➢ Future cash requirements for organic growth/expansion and/or for inorganic growth, ➢ Brand acquisitions, ➢ Current and future leverage and, under exceptional circumstances, the amount of contingent liabilities, ➢ Deployment of funds in short term marketable investments, ➢ Long term investments, ➢ Capital expenditure(s), and	➢ Business cycles, ➢ Economic environment, ➢ Cost of external financing, ➢ Applicable taxes including tax on dividend, ➢ Industry outlook for the future years, ➢ Inflation rate, and ➢ Changes in the Government policies, industry specific rulings & regulatory provisions.

➢ The ratio of debt to equity (at net debt and gross debt level). ➢ Past dividend trends – rate of dividend, EPS and payout ratio, etc. Any other relevant factors and material events	

7. Utilisation of retained earnings

The Board may retain its earnings to make better use of the available funds and increase the value of the stakeholders in the long run. The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure,
- Working capital requirement,
- Organic and/ or inorganic growth,
- Mergers and acquisitions,
- Declaration of dividend,
- Capitalisation of shares,
- Buy back of shares,
- General corporate purposes, including contingencies,
- Correcting the capital structure,
- Other such criteria as the Board may deem fit from time to time.

8. Parameters that shall be adopted regarding various classes of shares

The Company has only equity shares and does not currently have any other class(s) of share(s). If Company issues multiple classes of shares, the parameters will be as per the respective terms of issue and in accordance with the applicable regulations.

9. Disclosures

The Company shall make such disclosures on its website, Annual Report and at such other places as may be required under the Act and SEBI ListingRegulations or any other applicable law.

10. Policy implementation and review

The Board has been vested with the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever subject to the Applicable Law.

11. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Further, in case of any point(s)/ matter(s) not specifically covered/provided to under this Policy, the same shall be adhered to/complied with in line with the requirement of applicable laws.

Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Version	Effective Date	Latest Review	Approved by
V.1.1	December 23, 2022	August 13, 2026	Board of Directors