HONASA

September 03, 2026

Listing Department
National Stock Exchange of India Limited
Symbol: HONASA

Listing Department
BSE Limited
Scrip Code: 544014

Sub.: Annual Report for the financial year 2025-26

Dear Sir/Madam,

In continuation to our letter dated August 13, 2026, we wish to inform that 10th Annual General Meeting ("AGM") of the Company is scheduled to be held on **Monday, September 28, 2026** at **4:00 pm** (IST) through Video Conference/Other Audio-Visual Means.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), please find enclosed the Annual Report for the financial year 2025-26 along with the notice convening the 10th AGM ("Notice"). The same is also available on the Company's website at https://honasa.in/cdn/shop/files/Annual_Report_2025-26.pdf.

The Annual Report along with the Notice is being sent electronically to all members whose e-mail addresses are registered with the Depositories/Company/Registrar and Transfer Agent ("RTA").

Further, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the weblink and QR Code for accessing the Annual Report along with the notice is being sent to those members whose e-mail addresses are not registered with the Depositories/Company/RTA. A copy of the said letter is also enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours truly,
For **Honasa Consumer Limited**

Gaurav Pandit
Digitally signed by Gaurav Pandit
Date: 2026.09.03 20:44:23 +05'30'

Gaurav Pandit
Company Secretary and Compliance Officer

Encl.: As above

Annual Report 2025-26

HONASA
Beauty With A Purpose

Reinvention to Resilience

mamaearth
THE derma co
DR. SHETH'S
BBLUNT
Aqualogica
STAZE

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Financial Statements

As a powerhouse of Beauty and Personal Care brands, we have always believed that staying relevant means being willing to evolve. The reinvention we undertook last year laid the foundation for a stronger, more focused business. This year, we began to see those choices translate into meaningful progress. We sharpened our focus on categories where we have a strong right to win, strengthened our distribution engine and continued to build brands that consumers trust and choose. Resilience, as we understand it, is demonstrated rather than declared. From reinvention to resilience, we continue to adapt with purpose, build on what we have learnt, and turn those learnings into lasting strength.

Reinvention to Resilience

Created

for India's Evolving Beauty and Skincare Needs

Honasa Consumer Limited is a digital-first beauty and personal care company, serving consumers across categories and propositions through a House of Brands.

We have grown from a single-brand disruptor into a diversified beauty and personal care company, shaped by changing consumer routines, sharper ingredient awareness, rising demand for specialised, high-performance products and an industry redrawn by e-commerce, digital media and the rise of the creators.

We build for the Indian consumer: for local skin types, climatic conditions and everyday routines, pairing formulation expertise with digital insight, quick innovation and omnichannel reach.

During FY 25-26, our priorities were concentrated: to gain share in our focus categories by strengthening hero products within the partitions we had chosen; to stabilise and then accelerate our newly built general trade direct-distribution network; and to deepen our position in the channels of the future, quick commerce foremost among them. Our seven focus categories: face cleansers, shampoos, sunscreens, moisturisers, face serums, lipsticks and baby care, anchored the portfolio, supported by investment behind hero products and the high-frequency routines they serve.

The year also took us into newer and premium adjacencies: men's grooming and oral beauty. Each reflects a long-term approach to building a portfolio aligned to where beauty consumption is heading.

Alongside portfolio growth, we invested in R&D, technology infrastructure, distribution capability and responsible business practice to build Honasa 2.0 for the next decade. A further pillar has been our investment in artificial intelligence: deploying disruptive, in-house AI capability across functions, from product formulation and content creation to supply chain and consumer insight, to build a more agile, data-led and future-ready organisation.

Our commitment to conscious beauty holds through this growth. We are certified cruelty-free by PETA and Plastic Positive, recycling more plastic than we use. These principles shape how we innovate, operate and scale.

Our DNA Shapes Our Growth Trajectory

- Consumer-centric brand building
- Communication that resonates with the consumer
- Innovation and product superiority
- Talent with a builder's mindset
- Integrated digital and data capabilities, enabling intelligent action
- Responsible and sustainable growth
- Distribution excellence, so that we are present wherever the consumer chooses to shop

Vision

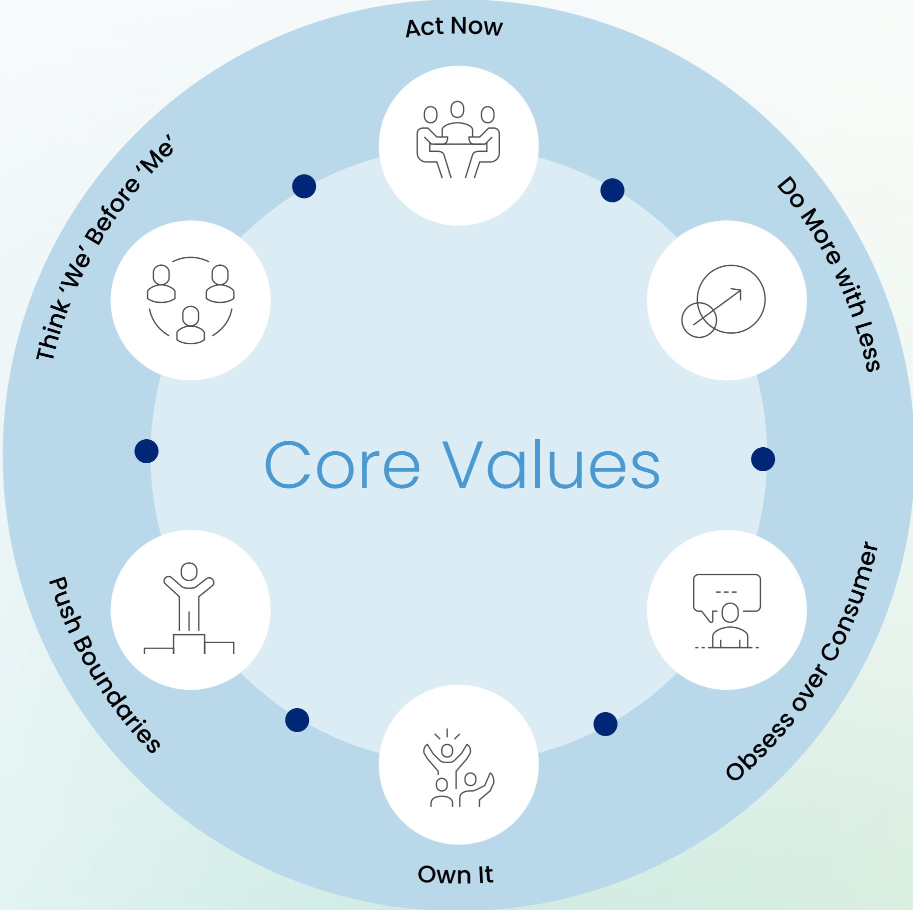
Honasa is committed to creating innovative, high-quality products across the BPC category that serve the needs of evolving Indian consumers. Our 5 year goal aligns with the larger purpose.
Read More about our 5 Year plan at Page 52

Mission

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

Purpose

- To build purpose-driven brands that go beyond products
- To improve consumers' lives, helping them look good, feel confident, and live better
- To create a positive impact on society and the environment through our brands and initiatives



Largest
Digital-first BPC company in India

7 Brands
Across skincare, haircare, baby care and colour cosmetics

68% Online **32%** Offline
Channel salience (FY 25-26)

Stronger Brands, Sharper Execution

FY 25-26 was the year our reinvention reflected in the results. Sharper category focus, deeper distribution and hero products scaling faster than our brands turned into growth that was both durable and profitable.

Financial

₹24,785 Mn
Revenue from Operations
↑ 19.9% YoY

71.2%
Gross Margin
↑ 83 bps YoY

₹2,312 Mn
EBITDA
9.3% Margin
↑ 237% YoY

₹2,002 Mn
Profit After Tax
8.1% Margin
↑ 175% YoY

₹1,340 Mn
Cash generated from the business
↑ 63% YoY

(14) Days
Working capital cycle as on 31st March 2026

Operational

23%
Underlying volume growth

80%+
Contribution of focus categories to revenue

1,20,000+
Direct outlets billed

2,75,000+
Total FMCG outlets reached
↑ 16% YoY

98%+
India's total pincodes serviced

ESG

11,00,000+
Trees planted through the Plant Goodness initiative

48,000+
Students empowered through science-based learning under the Young Scientists programme

1,500+
Families benefitted through the Fresh Water for All programme

18,000+
Women upskilled in hair styling and salon services through the 'Shine Academy'

48,500+
Health check-ups conducted under the Healthy India, Healthy You programme

3,400+
Total employees, with 50%+ women's participation

Consolidated revenue from operations includes revenue from BTM Ventures Limited (Reginald Men), consolidated only for Q4 FY26. Revenue from operations is presented on a like-for-like (LFL) basis, adjusted for a change in the settlement mechanism of the Flipkart group, which had an impact of ₹87 crore in FY 25-26. All margin percentages are computed on LFL revenue for FY 25-26.

A Decade

of Shaping India's Fastest-growing BPC Company

2016

Mamaearth® launched Asia's first MADE SAFE®-certified baby care brand

2017

Mamaearth® – Expanded from baby care into personal care

2020

- The Derma Co® launched science-led skincare built on active ingredients
- Honasa enters offline with Mamaearth

2021

Aqualogica™ launched hydration-led skincare for Indian climatic conditions

2022

- 1st Major Acquisitions: BBLUNT® + Dr. Sheth's™
- Crossed ₹1,000 Cr in annual revenue, among India's fastest-growing BPC companies to do so

2024

- Acquired Cosmogenesis Cosmetics to boost R&D capabilities
- Aqualogica™ and Dr. Sheth's crossed ₹200 Cr ARR
- Launched Staze 9to9 — long-wear colour cosmetics for Gen Z

2025

- Derma Co.® crossed ₹750 Cr ARR
- Honasa crossed 20 million D2C customers

2026

- Acquired Reginald Men, a men's personal care brand
- Highest-ever PAT of ₹200 Cr

Reinvented. Resilience Demonstrated

Dear Shareholders,

As we close another year, I wanted to share some thoughts — on the year that was, on what it taught us, and on where we are headed. But before any of that, a thank you. A year ago we asked you to trust a set of choices that would cost us before they rewarded us. You gave us the room to make them and this is the year they began to pay.

₹24,785 Mn

↑ FY 25-26 Like-for-Like Revenue from Operations[1], up 19.9% YoY

₹2,312 Mn

↑ FY 25-26 EBITDA

The Market We Are Building For

India is one of the fastest-growing major economies in the world, and its beauty and personal care market is being reshaped faster than almost any consumer sector we know. Four forces are driving that change, and we find ourselves — not by accident — built for each of them.

Discovery has moved to our mobiles, where beauty is found and debated through creators rather than told through mass media communication. Consumers are trading up, choosing efficacy and honest ingredients over general-purpose beauty and personal care. The path to purchase has fragmented across E-commerce, Quick Commerce and General Trade, so a brand must now win everywhere at once. And the youngest consumers, Gen Z, are setting the pace — adopting earlier and expecting more.

We have watched this story unfold before, in the US, in China, in Indonesia: wherever e-commerce has surged, it is the home-grown challengers who gain the most. India's online share of retail is still in its early innings and set to roughly double by the turn of the decade. We intend to be standing exactly where that wave breaks.

The Year in Numbers

We sharpened the categories we would go after, rebuilt our offline channel around direct reach, supercharging its sharpness and efficiency, and invested in research at a scale we had never done before. None of it was comfortable. All of it was made with the next decade in mind.

This year our Revenue grew 19.9% to ₹24,785 Million on a like-for-like basis[1], adjusted for change in settlement by Flipkart group, our EBITDA more than tripled, moving from ₹685 Million in FY 24-25 to ₹2,312 Million; and we delivered our highest-ever Profit After Tax of ₹2,000+ Million. Additionally, our Board recommended the Company's first-ever dividend during the year. These numbers and developments were the outcome of the efforts that we undertook during the year and the strength we build along. And I would like to tell you about those.

Winning the War, One Battle at a Time

Last year I wrote that the war for Indian beauty is won one category at a time. This year we went deeper still. Our market is not one contest but hundreds — each category splitting into partitions, each defined by a specific consumer need. One cannot win leadership across that whole map at once; one wins it partition by partition.

So we directed the great majority of our brand investment at a focused set of categories — face cleansers, shampoos, sunscreens, moisturisers, face serums, lipsticks and baby care — and within them, in the pockets where we have a genuine right to win. Those categories now contribute ~80% of our revenue and grew well ahead of the rest of the categories. As we move ahead, we continue to focus on newer partitions within existing and new categories giving us headroom to grow.

[1] Honasa's Revenue from Operations is presented on a Like-for-Like (LFL) basis, adjusted for change in settlement by Flipkart group leading to an impact of ₹87 Crores in FY 25-26.

Mamaearth Is Growing Again

If there is one story we want to tell you this year, it is this one. Mamaearth returned to growth — steadily, and on far firmer ground than before.

We did what we promised you we would, we focused on delivering superior products, improved packaging and communication that is tailored to Gen Zs and focused investments in our hero products rather than spreading it thin. This enabled Mamaearth to be perceived as the #1 brand in Face Cleanser and Shampoo categories in Online Brand Power/Equity as per Kantar brand health track. Within offline as we moved to a direct, distributor-led model, execution steadied and momentum came back. It is visible now in the places that matter most: through the year, Mamaearth gained both Value Market Share and Share-Amongst-Handlers in Face Cleansers and Shampoos, in both General Trade and Modern Trade channels as per NielsenIQ. The brand that built this Company is growing again and is better built now for what comes next.

A Muscle, Ready to Power the Next Decade

Last year I wrote that offline distribution is a muscle, not a skill — and that muscles must break down before they grow back stronger. That was far easier to write than to live through. But the rebuild is now substantially complete, and the muscle is ready to carry us into the next decade.

Direct distribution now carries the great majority of our General Trade billing, where it was once a small fraction; now we have a direct outlet reach of 1.2L+ aided by a technology layer bringing real-time data visibility for sharper insights to aid better execution. Yet what we truly built was not reach — we always had reach. We built pull, and the relationships beneath it: retailers served well, priced fairly, and stocked with the right assortment. General trade is back to healthy growth, modern trade is winning on its own shelves.

A House of Brands, Built for the Long Term

We take immense pride in our House of Brands where each brand caters to distinct consumer needs and this year it proved what it can do. The Derma Co has long led India's science-backed actives space, and this year it widened that lead — scaling sharply while reaching double-digit EBITDA profitability, building a third large category in face cleansers after serums and sunscreens, gaining strong traction in offline channel, all while keeping faith with the ingredient-literate consumer who believed in it first. Reginald Men, which joined us this year, opens men's personal care — a category we had long wanted to play in. Our investment in Fang gives us a stake in oral care, where we sense a disruption in teeth whitening space, much like the one we lived through in our own categories. And Staze 9to9 keeps building for the Gen Z consumer. Each is a deliberate bet on where this Company should stand a decade from now — placed while these categories are still forming, not after they have settled.

Superiority is No Longer Just an Ambition

Last year we set ourselves a simple test: with no brand name and no packaging, just the formula on the skin, our hero products should beat the best in the world. This year they did — across a series of independent blind tests, from The Derma Co's face serum preferred for deeper penetration to Mamaearth's face cleanser, ahead of a leading international brand, to our shampoos outperforming established competitors on overall likeability

Behind those wins is our focused investment in talent, the Cosmogenesis acquisition to bolster our R&D capabilities and the use of AI-led tools that let our scientists punch well above their weight without needing the headcount that larger players need. Hence, product superiority has stopped being a plan. It has become our moat.

Our Technology Edge: Deeper Insight, Sharper Decisions

We have always read the Indian consumer closely, and always acted on what we read. What changed this year is how much more we can understand our consumer preferences, how quickly, and how precisely. The engine behind it is Agent OS, our own agentic AI platform — a fleet of agents that sense demand as it forms, sharpen our creative work, and quietly run the engine room of the Company so it can grow without growing headcount in step. Within it sit tools like Tesseract, which lets us simulate how India will respond to a product before we have made it. None of this could have been bought. It is built on a decade of our own data, and it grows sharper every time we use it.

On Profitability

Growth alone was never the goal — building a business that lasts is. Our premium, efficacy-led products, developed on our own formulations, give us strong margins to start with. We reinvest those margins into our brands, but only where the spending demonstrably works. And as we scale across channels with similar unit economics, profitability follows naturally. That is the flywheel, and it is now turning.

Goodness Has to Be Practised

We believe in serving our consumers and communities for a better tomorrow through environmental and social initiatives that are an extension of the core proposition of our brands. This year, we planted over a million trees under Plant Goodness, remained Plastic Positive, and through our brands, took science education to tens of thousands of students, clean water to rural households, livelihoods to women trained in hairstyling, and health check-ups to those without access. Beyond our brands, we deployed anti-smog vehicles in Gurugram's high-pollution pockets, transformed a degraded dumping site into the 6,500-tree Honasa Forest at Aravalli Creek, and opened Seeds of Tomorrow daycare centres to give underprivileged children a healthier, brighter start. There is a great deal still to do, and we know it. But this is work we care about, quite apart from any report.

The Road Ahead – The Next Five Years

Ten years in, we know what we want the next five to look like. We intend to become the fastest-growing company in Indian FMCG to reach ₹5,000 Crores (reaching ₹5,500 Crores by FY 30-31) by building brands that are loved by Indian consumers — and to reach a 15% EBITDA margin, unlocking a further 500 basis points as mix and scale move our way. But the number is only ever a consequence. What we are really building is a company that can find a need, prove a product, scale a brand and make it profitable faster than anyone else, and then simply do it again.

We should be honest about one thing too, because we always want to be with you: not every bet we place will land. Some of what we tried this year did not, and we learnt from it and moved on. The freedom to experiment means little without the humility to change our minds, and we hope you will hold us to both.

Every morning, we walk into the office genuinely excited by what we are building. Building brands that Indians love is, quite simply, our reason to keep going — and we are nowhere near done. As Robert Frost once said, there are miles to go before we sleep.

Our thanks to our consumers, who tell us the truth faster and more bluntly than any research could; to our partners, who backed our choices; to our colleagues, who shared the same vision for our business; to our Board, for holding us to a higher standard than we might have set ourselves; and to you, our shareholders, for the room to take the harder road. We will not let you down.

This journey has never been linear, and it likely never will be. But we walk it gladly. I will leave you with two lines that carried us through the year:

Reinvention has earned us this resilience. The next five years are about what we do with it.

> "Lehron se dar kar nauka paar nahin hoti, koshish karne walon ki haar nahin hoti."

With warmth and gratitude,

Ghazal and Varun Alagh
Founders, Honasa Consumer Limited

OUR HOUSE OF BRANDS

Serving Diverse Beauty Needs

Our House of Brands brings together a portfolio across beauty and personal care categories, routines and usage occasions, allowing participation across India's evolving beauty and personal care landscape. Each brand is built around a proposition, shaped by consumer insight, formulation philosophy and category relevance.

Mamaearth laid the foundation for this portfolio, building capabilities across product development, digital brand building, consumer engagement and omnichannel distribution. What began as toxin-free personal care has grown into a wider beauty ecosystem covering science-led skincare, hydrating skincare designed for Gen Z, salon-like haircare, colour cosmetics, men's grooming and baby care.

Over time, these capabilities have helped us scale across channels and respond to changing consumer preferences. Today, our portfolio has a balanced presence across accessible daily care, specialised skincare and aspirational beauty, with brands built from the ground up as well as those added through focused acquisitions.

This breadth allows each brand to meet a distinct consumer need while retaining its identity across different price points, occasions and routines. At the same time, they share a common approach to consumer-first innovation, digital communication and data-led decision-making. Together, our brands form a connected beauty ecosystem that reflects how India's consumers discover, choose and engage with personal care today.

Our House of Brands

mamaearth	Clean and toxin-free beauty products made with natural ingredients
THE derma co DESIGNED BY DERMATOLOGISTS	Science-backed expert products powered with active ingredients
BBLUNT	Professional hair care and styling products enabling a salon-like experience at home
DR. SHETH'S	Power of nature and science developed by Three Generations of Skin Specialists
Aqualogica	Hydrating skincare designed for Gen Z
STAZE	High-performance makeup designed for Gen Z
REGINALD MEN	Multi-functional skincare built for Indian men

During FY 25-26, we expanded our presence across emerging beauty adjacencies through our expansion into men's personal care through Reginald Men, alongside our investment in Fang, marking our entry into oral beauty. These additions reflect the broadening nature of beauty consumption, where wellness, grooming and specialised skincare are increasingly converging within everyday routines.

Across the portfolio, product development continues to be shaped by Indian consumer needs, including skin types, climatic conditions and evolving beauty habits. As our omnichannel presence continues to scale, stronger consumer insight and faster feedback loops are enabling sharper category participation, accelerated innovation and improved market responsiveness.

OUR HOUSE OF BRANDS

mamaearth

Toxin-free Products Made with Natural Ingredients

₹100+Cr

Net sales for Rice Face Wash, the third face wash range to cross this mark, after Ubtan and Vitamin C

#1 brand

Perceived as the leading brand in the Face Cleanser and Shampoo categories in Online Brand Power and Equity, according to the Kantar Brand Health Track

Mamaearth continues to sit at the intersection of ingredient-conscious beauty and family-focused personal care. Built around toxin-free formulations and natural ingredients, inspired by Indian traditional remedies, the brand has expanded into a broad beauty and personal care portfolio spanning skincare, haircare, baby care and colour care.

As Asia's first brand with MADE SAFE™-certified products, Mamaearth has played an important role in shaping awareness around ingredient transparency and safer personal care choices among Indian consumers. According to the Kantar Brand Health Track, the brand reached its highest level in the last three years in terms of brand power in face cleanser and shampoo categories.

During the year, Mamaearth returned to a growth trajectory as the brand sharpened its strategy around its focus categories, including face cleansers, shampoos, sunscreens, moisturisers, lipsticks and baby care, supported by sharpened investments behind its hero products. Our products such as rice face wash, onion shampoo, ubtan face wash and rosemary shampoo continued to resonate strongly across the portfolio, particularly among younger consumers.

Face cleansers deliver strong performance, driving continued share gains, with Mamaearth Rice Face Wash entering the ₹100 Crores club after established ranges such as Vitamin C and Ubtan. In the shampoo category, both Onion shampoo and Rosemary shampoo continue to grow 2x+ faster than the brand. The Beetroot Hydraful Light Moisturising Cream resonated strongly with consumers, driven by its lightweight, non-sticky hydration, and contributed to sustained growth of the category.

Across campaigns, the brand balanced cultural familiarity with everyday relevance through collaborations featuring Gen Z voices like Palak Tiwari and Sreeleela across face moisturiser, face cleanser, and hair care categories.

Mamaearth's philosophy remains rooted in conscious beauty. Its Plastic Positive commitment and the Plant Goodness initiative continue to shape the brand's broader environmental and community engagement efforts.

6.5%

Value market share in offline for Mamaearth Face Cleansers as of March 2026

2.3%

Value market share in offline for Mamaearth Shampoo as of March 2026

Hero Products

Face Cleanser
Rice Dewy Bright Face Wash

Shampoo
Rosemary Anti-Hairfall Shampoo

Sunscreen
Vitamin C Daily Glow Sunscreen

Baby Care
Milky Soft Head to Toe Wash

Key Innovations

Beetroot Hydraful Light Moisturising Cream

Luxe Matte Long Stay Lipstick

Baby Rich Moisturising Ultra Light Sunscreen

OUR HOUSE OF BRANDS

THE derma co
DESIGNED BY DERMATOLOGISTS

Science-backed Products Powered with Active Ingredients

The Derma Co, launched in February 2020, was one of the first consumer brands with active ingredients as the proposition and was created around a simple shift in skincare behaviour, with consumers becoming more ingredient-aware, solution-orientated and invested in targeted skin health. Built on dermatologist-formulated products and active ingredients, the brand addresses concerns such as acne, pigmentation, dark spots and sun protection through formulations centred on efficacy and transparency.

Its portfolio spans sunscreens, serums, face cleansers, moisturisers and haircare, with ingredients such as Salicylic Acid, Niacinamide, Vitamin C and Kojic Acid forming the backbone of several hero formulations.

During FY 25-26, the brand maintained strong growth momentum, achieving an ARR of ₹750 Crores with a double-digit EBITDA profile. Among the key developments during the year was Face Cleanser becoming the third category after Serums and Sunscreens to reach a scale of ₹100+ Crores, led by its Sali-Cinamide Anti-Acne Face Wash. The introduction of first-to-India innovations powered by the proprietary Deep Penetration Formula™ technology, designed to improve absorption and ingredient delivery, led the charge of superior product formulations.

Suncare remained a defining category for the brand during the year, supported by rising awareness around preventive skincare and everyday sun protection. A campaign featuring Sania Mirza positioned sunscreen within daily skincare routines, particularly among younger consumers engaging more actively with active-led beauty products. The brand also marked its entry into the hair category during the year, extending its actives-led approach beyond skin through products like Hair Fall Control Shampoo and Anti-Dandruff Shampoo.

Beyond skin and haircare, The Derma Co continues to extend its science-first philosophy through the Young Scientists initiative, supporting access to science education for underprivileged children.

₹750 Cr

Annualised Recurring Revenue Run Rate achieved during the year

₹100+Cr

Net sales for the Face Cleanser category, the third category to cross this mark, after Sunscreen and Face Serum

Double-digit EBITDA

Profitability with scale

Hero Products

Sunscreen
1% Hyaluronic Sunscreen Aqua Gel

Face Serum
2% Kojic Acid Face Serum

Face Cleanser
2% Sali-Cinamide Anti-Acne Face Wash

Key Innovations

Sunscreen: 1% Hyaluronic Sunscreen Oil-Free Matte Gel

Shampoo: Triple Actives Anti-Dandruff Shampoo

Aqualogica®

Hydrating Skincare Designed for Indian Skin Types

Aqualogica caters to a generation of consumers seeking uncomplicated skincare that fits seamlessly into everyday life. Built around hydration, lightweight textures and fruit-infused formulations, the brand reflects the growing shift towards comfortable, breathable skincare suited to Indian weather conditions and fast-moving routines.

Its range spans sunscreens, moisturisers, cleansers and body mists, combining sensorial formats with active ingredients through the brand's Water Lock Technology™ platform.

During the year, hydration-led skincare and everyday sun protection remained central to the brand's momentum, particularly among younger consumers gravitating towards hydrating skincare. A refreshed packaging identity gave the range sharper shelf presence and stronger appeal at the point of purchase. Products such as the Glow+ Dewy Sunscreen, Refresh+ Perfume Body Mist and Illuminate+ Hydra Gel Moisturiser continued to gain visibility across Gen Z consumers.

The year also saw our patented technology of India's first Anti-Pollution Factor (APF) being launched in the Glow+ Dewy Sunscreen featuring it, developed in response to rising urban exposure to pollution and environmental stressors.

Aqualogica's formulations remain vegan and cruelty-free, developed without parabens, sulphates, phthalates and mineral oil. Beyond skincare, the brand continues to support access to clean drinking water through the Fresh Water for All initiative across rural communities.

Hero Products

Sunscreen
Glow+ Dewy Sunscreen

Perfume
Refresh+ Perfume Body Mist

Moisturizer
Illuminate+ Hydra Melt Gel Moisturizer

Key Innovations

Sunscreen
Aqualogica Radiance+ Water light Fluid Sunscreen

India's First Sunscreen with Anti-Pollution Factor (APF)

Introduced through Aqualogica's Glow+ Dewy Sunscreen

OUR HOUSE OF BRANDS

BBLUNT

Professional Haircare and Styling Products enabling a Salon-like Experience at Home

BBLUNT brings together salon-inspired haircare, styling and colour solutions designed for consumers seeking professional-quality results through accessible, at-home formats. The portfolio spans shampoos, conditioners, masks, serums, styling products, hair colours and tools, shaped by evolving beauty routines and growing experimentation within haircare.

During FY 25-26, the brand sharpened its focus on performance-driven formulations and elevated styling experiences. A key development during the year was the relaunch of the hair colour portfolio, including Salon Secret High Shine Conditioning Hair Colour, developed to deliver richer colour payoff, improved coverage and long-lasting shine.

The styling portfolio also expanded through the BBLUNT x Tarini range, co-created with celebrity stylist Tarini Peshawaria. The collaboration brought expert-led styling solutions into at-home hairstyling routines, blending salon aesthetics with ease of use for modern consumers.

Beyond products, BBLUNT Salons continue to build the brand equity for the BBlunt product business.

BBLUNT's approach extends beyond beauty and styling into skill development and community impact through the BBLUNT Shine Academy, which provides hairstyling certifications to underprivileged women to support financial independence and career opportunities.

Hero Products

Hair Colour
Salon Secret High Shine Conditioning Hair Colour

Shampoo
Intense Moisture Shampoo

Key Innovations in the Focus Categories

Bond Repair Shampoo

BBlunt x Tarini Range

Co-created with celebrity stylist Tarini Peshawaria to deliver expert-level results

DR. SHETH'S

Power of nature and science developed by Three Generations of Skin Specialists

Dr. Sheth's brings together clinically recognised actives and calming botanicals to create skincare developed specifically for Indian skin. Built on over 90 years of dermatological expertise across three generations of skin specialists, the brand sits at the intersection of science-based actives and botanicals.

Its portfolio spans sunscreens, moisturisers, serums and face cleansers designed around concerns such as hydration, pigmentation, sensitivity and skin repair, with an emphasis on balancing efficacy with skin compatibility.

During FY 25-26, the brand expanded further into advanced and prestige skincare formats through formulations featuring next-generation ingredients such as Argireline, PDRN and Copper Peptides.

Among the key launches during the year was the Argireline & Copper Peptide B'Tox Serum, reflecting growing consumer interest in specialised skincare routines and clinically positioned treatment formats.

The brand's approach remains centred on targeted skincare solutions tailored for Indian climatic conditions and skin concerns while responding to increasing engagement with ingredient-led beauty and higher-efficacy formulations.

Beyond skincare, Dr. Sheth's continues to extend its impact through the Healthy India, Healthy You initiative in partnership with Doctors for You, supporting access to essential healthcare services for underserved communities.

Hero Products

Sunscreen
Ceramide & Vitamin C Sunscreen

Moisturiser
Ceramide & Vitamin C Oil-Free Moisturizer

Key Innovations

Sunscreen: Oats & Ceramide Sensitive Skin Sunscreen

Serum: Argireline & Copper Peptide B'Tox Serum

OUR HOUSE OF BRANDS

STAZE

High-performance Makeup Designed for Gen Z

Staze 9to9 was created for a generation that approaches makeup as an extension of identity, mood and everyday self-expression. Built around long-wear, high-performance formats, the brand combines trend-led aesthetics with formulations designed for Indian skin tones, climates and always-on lifestyles.

Its portfolio spans lip, eye and face categories, alongside beauty accessories and tools developed with inputs from over 40 beauty professionals. Powered by C-Lock Technology™, the formulations are designed to deliver transfer-proof, sweat-resistant wear with a studio-finish look that holds through the day.

During FY 25-26, the brand expanded further across everyday makeup formats shaped by growing engagement with expressive beauty, creator-led trends and digital-first beauty culture. Products such as the Gloss Lock 2-in-1 Liquid Lipstick emerged as strong performers within the portfolio, resonating with younger consumers seeking convenience, performance and versatility within a single format.

With its blend of functionality, trend responsiveness and accessible styling, Staze 9to9 continues to build relevance within India's evolving colour cosmetics landscape.

Key Innovations in the Focus Categories

Capitalising on 'Gloss' as a trend and entering the lip balm category

Lipstick
Gloss Lock 2-in-1 Liquid Lipstick

Lip Balm
Y.U.M.M.Y. Lip Gloss Balm

REGINALD MEN

Entering Men's Personal Care with Reginald Men

₹100+Cr ARR

Annual Recurring Revenue Run Rate achieved in the brand's first full quarter of consolidation, the sixth brand in Honasa's portfolio to cross this milestone

FY 25-26 marked our entry into focused men's skincare through the acquisition of Reginald Men, a brand built on multi-functional skincare designed specifically for Indian men. Consolidated into the Honasa portfolio in Q4 FY26, Reginald Men brought with it a sharply focused hero category, sunscreen, which contributed the majority of its business at the time of acquisition, alongside a growing serum range.

The brand became the sixth in the Honasa portfolio to cross the ₹100+ Crores ARR mark, with revenue doubling YoY. The brand is now being scaled across three axes: deepening distribution beyond its established South India base; broadening its product range from a sunscreen-led portfolio to additional categories like hair serum and face cleanser; and extending geographic reach into new markets such as Maharashtra, alongside strengthening online channel/platform expansion and content built for existing as well as new geographies. Through Reginald Men, we have added a fast-growing engine to our younger brands' cohort and taken our first dedicated step into men's beauty and personal care.

Leader in Men's Sunscreen

The sunscreen category continues to be a hero for the brand while we build Hair Serum as a category in men's personal care.

From South India to New Geographies

Building on its established presence in South India, the brand is now extending its playbook to new markets, including Maharashtra.

Story 01

Focused Approach to Category Leadership

Reinvention
From broad participation to focused partitions

Resilience
Focus categories now contribute ~80% of revenue

Leadership in beauty is won partition by partition, not through broad presence. During the year, we directed our resources towards the categories and partitions where we hold a clear right to win.

India's Beauty and Personal Care market comprises a wide and fragmented opportunity. Across approximately 20+ categories sit more than a hundred distinct partitions, each defined by consumer concern, ingredient and price point. Leadership in this market is established by winning within these partitions rather than by maintaining a presence across all of them. During FY 25-26, we embedded this principle into the way we operate the business.

Rather than distributing investment broadly, we directed close to 90% of our brand investment towards key partitions within our seven focus categories — face cleansers, shampoos, sunscreens, moisturisers, face serums, baby care and lipsticks, where we hold a clear right to win. We distinguished clearly between the partitions in which we have established a dominant position and those in which we are actively building share. In partitions such as Face Cleanser × Glow and Shampoo × Hair Fall, our position is firmly established. In others, including Shampoo × Dandruff and Face Wash × Acne, we are steadily gaining share as we deepen our participation. This partition-led view allows us to direct resources with precision and to measure progress at the level where category battles are genuinely won.

24 BPC Categories Worth $20+ Bn in India...

Face Cleanser
Category Size: ₹14–15K Cr
CAGR: 6%-8%

Shampoo
Category Size: ₹10–13K Cr
CAGR: 4%-6%

Sunscreen
Category Size: ₹4.5K–5.5K Cr
CAGR: 15%+

Face Serum
Category Size: ₹3.5K–4.5K Cr
CAGR: 20%+

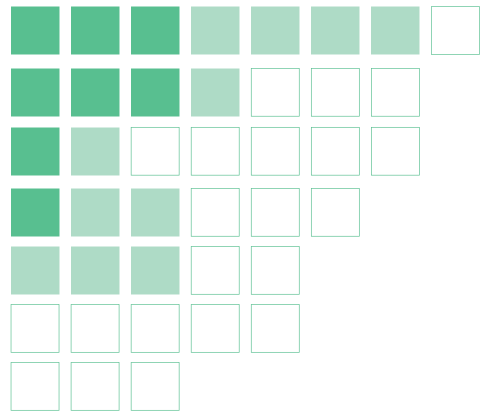
Moisturiser
Category Size: ₹5K–6K Cr
CAGR: 15%+

Lipstick
Category Size: ₹3.5K–4K Cr
CAGR: 10%+

Baby Care (excluding diapers and wipes)
Category Size: ₹2K–2.5K Cr
CAGR: 7%+

2025-2028 GMV CAGR based on industry estimates

...translate into 100+ Partitions



Dominant- 10%+ Market Share
Eg., Face Wash x Glow, Shampoo x Hairfall

Playing Building Share
Eg., Shampoo x Dandruff, Facewash x Acne

Whitespace Open to Enter and Win

The partitions themselves are substantial, each defined by its own consumer, concern and competitive set. Even within our seven focus categories, we participate in only a handful today, deliberately, so that each partition we enter is fully funded rather than thinly served. The partitions we have yet to contest sit inside categories we already understand and distribute, headroom that lies within our focus, not beyond it.

Face Cleanser Mamaearth Rice Face Wash

Sunscreen Aqualogica Glow+ Dewy Sunscreen

Face Serum Derma Co 2% Kojic Acid Face Serum

Shampoo BBlunt Intense Moisture Shampoo

Moisturiser Dr. Sheth's Ceramide & Vitamin C Oil-Free Moisturiser

Baby Care Mamaearth Milky Soft Head to Toe Wash

Lipstick Staze Gloss Lock 2 in 1 Liquid Lipstick

This focus was reflected in our performance during the year. Our focus categories grew well ahead of the overall portfolio and now contribute close to 80% of revenue, supported by hero products that consistently outpaced the growth of the brands to which they belong. Sharper category participation also strengthened our market position, deepening our presence across priority outlets and improving our standing in the categories we chose to contest.

For Honasa, focus is not a limitation but a discipline, the means by which a challenger converts finite resources into category leadership. It is this discipline that underpinned the resilience of FY 25-26.

~30%
↑ YoY growth in focus categories in FY 25-26

8 Partitions
Where Honasa holds a dominant (>10%) share, contributing 50%+ of revenue

~500+bps
Increase in focus-category contribution

STORIES OF THE YEAR

Story 02

Focused and Direct: Mamaearth Back to Growth

Reinvention → **Resilience**

Resetting around hero products and direct distribution → Returned to teens growth

A sharper focus on hero products and a stabilised offline model restored Mamaearth to growth and renewed its market share gains during the year.

Mamaearth is the first brand of Honasa and the foundation on which our House of Brands was built. After a period of transition, FY 25-26 was the year the brand returned to growth, restored on clearer foundations.

The renewal was built on three deliberate choices. The first was to reinvent the brand's product-superiority fundamentals. Over the preceding year, we went back to the core of what makes a product work, strengthening formulations across the brand's most important ranges so that they compete on demonstrable performance, not just proposition. Products with strong consumer resonance, including Rice, Rosemary and Ubtan, anchored this focus, and these hero ranges consistently grew faster than the brand overall. During the year, Mamaearth Rice Face Wash entered the ₹100 Crores net sales club, joining the established Ubtan and Vitamin C ranges.

The second was the stabilisation of the brand's offline distribution. As the transition to a more direct, distributor-led model took root, retail execution steadied, availability improved and the brand regained momentum across general and modern trade. Through this period of change, the strength of the brand remained evident across channels. E-commerce, including quick commerce, continued to grow, and modern trade sustained strong momentum even as we strengthened our underlying structures and processes, a sign that consumer equity and brand love held firm while the engine beneath was being rebuilt. Indeed, in the early part of the year, the recovery in our focus categories was first visible in e-commerce and modern trade, the channels that respond earliest to any intervention, before flowing through to the rest of the business.

The third was a rejig of the brand's communication. We refreshed how Mamaearth speaks to consumers, sharpening its messaging around hero products and ingredient benefits and shifting towards the content formats and creator-led storytelling that define how its audience discovers beauty today. This renewed clarity of communication reinforced the brand's equity and helped translate stronger products and steadier availability into renewed consumer pull.

These choices were reflected in the brand's performance. Mamaearth returned to teens' growth over the year and strengthened its market position, gaining value share among the outlets that matter most in its core categories. Independent consumer testing reinforced the strength of its formulations, with the gel face cleanser chassis scoring well ahead of leading international brands.

Teens growth

↑ Mamaearth's YoY growth in FY 25-26

2x+

Hero SKUs grew more than twice as fast as the overall brand (Rice, Onion, Ubtan, Rosemary) in Q4 FY26

Multi-quarter High

Mamaearth brand health, (Kantar Brand Health Track: #1 online and #3 offline in face cleansers by Brand Power/Equity)

Face Cleanser	6.5% Market Share	10.6% Share Amongst Handlers
Shampoo	2.3% Market Share	4.5% Share Amongst Handlers

Source: NielsenIQ

> Mamaearth's recovery is the clearest expression of our year: a disciplined brand reset, rebuilt on what consumers value most, and returned to durable growth.

Story 03

Restructured Offline Distribution to Power Next Decade of Growth

Reinvention

Rebuilt general trade around direct distribution

Resilience

Steadier offline base, 1.2+ Lakh outlets in direct coverage billed through direct distributors which now contribute ~80% to GT business

After a demanding transition, our offline business stabilised in FY 25-26, with a more direct distribution model deepening reach and steadying growth across general and modern trade.

Offline distribution is the muscle that will power our next decade of growth. In the preceding year, we set about rebuilding it, transitioning our general trade network from a super-stockist-led model to a direct distribution structure. The transition was deliberate and demanding, but necessary to put our offline business on a more durable footing and to ready it for the scale ahead.

Honasa	Super-stockist	Distributor	Retailer

Transition to a More Direct Model

Honasa	Distributor	Retailer

FY 25-26 was the year that work stabilised. Primary Sales through direct distribution now contributes 80% of our general trade sales, up from ~33% a year ago, a marked shift that gave us clearer visibility of secondary sales, healthier inventory across the network and stronger execution at the point of sale. Distributor inventory settled to around 30 days, and a technology layer of distributor management system (DMS) and sales-force automation systems (SFA) brought greater discipline and transparency to day-to-day operations.

Benefits

A steadier base translated into wider reach, with our retail footprint extending to more than 2.7 Lakhs FMCG outlets across India, with 1.2 Lakh direct outlet reach. Underpinning this was a fundamentally stronger way of operating our general trade, built on the discipline the direct model made possible:

- Tier-1 distributors with genuine reach and established connections across the relevant outlet universe
- A sharper focus on secondary sales and coverage, rather than primary billing alone
- Best-in-class outlet execution, with assortment tailored to each outlet's profile
- Tighter control on schemes, ensuring a pay-for-performance model and removing unauthorised price arbitrage
- Real-time, SKU-wise visibility of distributor inventory, with primary orders factoring in stock already in the system
- Technology and AI-based guidance for our field force, helping each salesperson maximise their share of the retailer

The results were visible across the channel. General trade returned to healthy secondary-sales growth over the year, with primary sales broadly mirroring the improvement, a sign that the network was operating on a steadier, more transparent footing. Deeper coverage and sharper outlet execution translated into stronger availability and offtake across our focus categories, precisely where the direct model gives us the clearest line of sight. Modern trade grew strongly in parallel, supported by a store-level execution approach that tailors assortment and on-shelf visibility to each outlet rather than applying a uniform plan — taking us among the top four players in the face cleanser segment in one of India's largest modern trade accounts.

Importantly, scaling these channels elevated the business. Modern trade and general trade carry favourable economics, and as their contribution grew, they strengthened both the reach and the profitability of our overall business.

The offline rebuild was among the most difficult choices of our recent journey. In FY 25-26, it became one of the clearest sources of our resilience, a stronger foundation, built to carry our growth across both screens and shelves for the decade ahead.

20%+
General trade secondary sales YoY growth in FY 25-26, broadly mirrored by primary sales
Source: As per DMS

25%+
Modern trade YoY offtake growth in FY 25-26 across 10,000+ outlets and 30+ chains
Source NielsenIQ

~1.2 Lakh
Outlets billed directly through distributors in FY 25-26 (~6x growth in direct distribution over two years)
Source: DMS

~80%
Share of general trade billing now managed by direct distributors vs. ~33% two years ago
Source: DMS

~2.7 Lakhs
Total FMCG outlets reached across India
Source: NielsenIQ, Number of FMCG retail outlets with Mamaearth's presence (All India Urban + Rural)

Story 04

The Derma Co: Compounding a Category Leader

Reinvention → **Resilience**

From category leadership → Exponential growth at double-digit EBITDA

1% Hyaluronic Sunscreen

2% Sali-Cinamide Face Wash

10% Niacinamide Face Serum

Peptide Shampoo

Already a leader in active-led skincare, The Derma Co scaled exponentially across categories and channels in FY 25-26, while unlocking a double-digit EBITDA profile.

The Derma Co began with a conviction that Indian consumers were ready for active ingredients-led personal care. That conviction made it a leader in active-led skincare early. FY 25-26 was the year that leadership widened into genuine scale with profitability.

Growth through the year was exponential, and it broadened the brand well beyond where it started. Alongside its founding strengths in sunscreen and serums, The Derma Co built a third ₹100 Crores-plus category in face cleansers and entered haircare, extending its active-led approach into a new space.

The brand also met its consumers in more places. A measured offline expansion took it to a ₹100 crore ARR in the offline channel, complementing the leadership it had long held online.

Through all of this, the brand grew profitably, sustaining a double-digit EBITDA profile as it scaled, proof that disciplined economics and rapid growth can advance together.

The Derma Co is, in many ways, our focus thesis made real: a brand that chose its categories with conviction and created content which resonated with its target audiences and undertook focused marketing spends led to the brand scaling quickly while also turning profitable. It remains one of the most assured sources of our resilience in FY 25-26.

₹750+Cr
Annual Recurring Revenue run rate

Double-digit EBITDA profile
Sustained through FY 25-26

100+Cr
ARR in the offline channel with presence in relevant chemist outlets

100+Cr
ARR in the face cleanser category – the third category after sunscreen and face serum to reach ₹100+ Cr ARR

Building

Capabilities for a Changing Beauty and Personal Care Landscape

Built over years. Refined through experience. The foundation beneath our growth.

Resilience is not the result of any single decision; it is built over time. The strength we demonstrated in FY 25-26 was powered by a set of capabilities developed steadily over the years in how we innovate, distribute, build brands and deploy technology, each refined through experience into a genuine source of advantage.

What follows traces how these capabilities have evolved, from the early playbook that first set us apart to where they stand today. They are the foundation beneath our performance and the reason the business has grown more capable, more disciplined and more resilient with each passing year.

Setting
the Pace with Speed and Accuracy

	Then	Now
Pace	Innovated 6-8x faster than legacy FMCG	Same speed, far greater accuracy: fewer misses, more wins
Product	Built to parity with global brands via third-party suppliers	Built to superiority: formulations that win blind tests against global brands

Speed made us a disruptor. Speed with accuracy is making us a leader, enabling sharper launches, and creating superior formulations.

Earlier in our journey, our innovation edge was speed. We read consumer demand from search and social signals rather than slow, claimed research, moving from signal to shelf far faster than legacy FMCG, innovating six to eight times quicker and launching over a hundred products in a single year.

As we have grown, we have built on that speed by adding a sharper layer of accuracy. Trend-mapping and pre-launch testing now help us anticipate how consumers will respond before a product reaches the market, so we launch with greater precision and higher conviction. Our innovation has also become more additive, taking our brands into new partitions and broadening the portfolio. This focus is reflected in how we invest: around 80% of our innovation effort is directed towards our core categories, with the remaining 20% reserved for experimentation that keeps the pipeline fresh.

The second shift has been from parity to superiority. In our early years, a lean R&D team brought products to market quickly by working through third-party manufacturers and global ingredient suppliers, matching the quality of established global brands. Sustained investment in R&D, including the Cosmogenesis acquisition and focused scientific talent, has since raised that standard. Today, in every core partition, we are achieving superiority rather than parity: formulations that beat global brands in independent blind tests, built on formulation knowledge and intellectual property that are genuinely our own.

Innovation Story 01 | **Tesseract - Validating in Weeks, Not Months**

Knowing What Will Win

Earlier

Identifying the right product to launch has always been the most consequential decision in consumer goods and a demanding one. The conventional route runs through months of qualitative and quantitative screening and concept testing before a product is ready to go to market. It is a thorough process, but a slow one, and consumer behaviour now moves faster than it can keep pace with.

How Tesseract Helped

Tesseract, our proprietary data-enabled consumer-behaviour prediction engine, brings speed and precision to that decision. It runs a high-fidelity simulation of the Indian consumer, a digital metaverse of hundreds of autonomous consumers, each with their own skin concerns, brand loyalties and buying triggers, running thousands of scenarios overnight. The result is a clear read on the right target, the right message and the right price point before any rupee is spent.

The Outcome

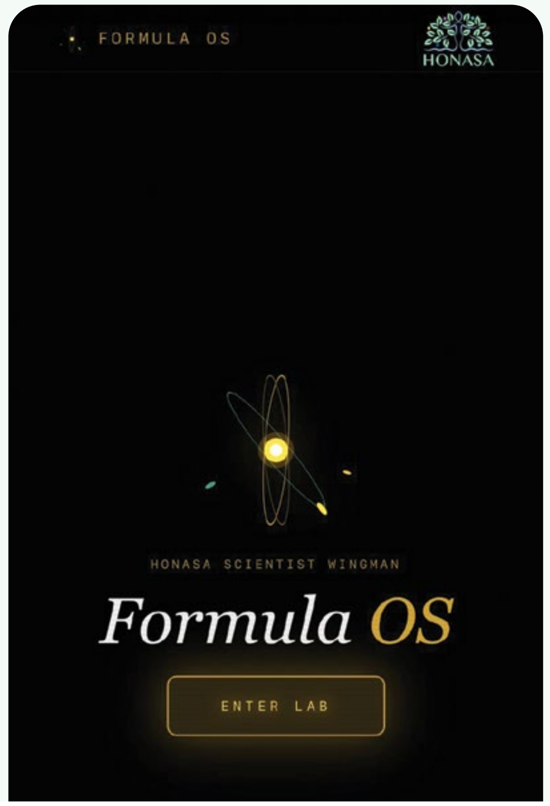
What once took months now takes weeks, and launches go to market on strong evidence, sharper targeting and higher launch success. Tesseract works because of the depth of what it draws on: a decade of our own consumer data, combined with the latest industry data, emerging trends and real-time consumer sentiment. It is an advantage that compounds over time rather than one a competitor can simply buy.

Innovation Story 02 | **Blind Test Wins/Formula OS**

Winning on the Formulation

Behind our blind-test wins is an engine: FormulaOS, our proprietary formulation intelligence system. It draws on hundreds of global formulations and every batch we have ever tested, ranking the most promising formulation pathways by efficacy, stability and cost, compressing months of bench work into weeks and engineering products that perform better on the skin at a better cost. The proof shows up in the hardest test there is: a blind one, with no brand, no price and no packaging, just the formulation itself. Over the past year, formulations developed through this approach have won a series of independent blind tests against leading global benchmarks.

As FormulaOS learns from every formulation and every test, its edge compounds over time.



COMMUNICATION CAPABILITY

From a Handful of Creators to Millions of Voices

	Then	Now
Message	Thousands of creatives, influencer-led	Lakhs of creatives, UGC-led
Time to Launch	3-4 weeks, across multiple teams	1 week, from concept to launch
Media Mix Modelling	Once a year: a fixed annual media plan	Every week: dynamic and performance-led

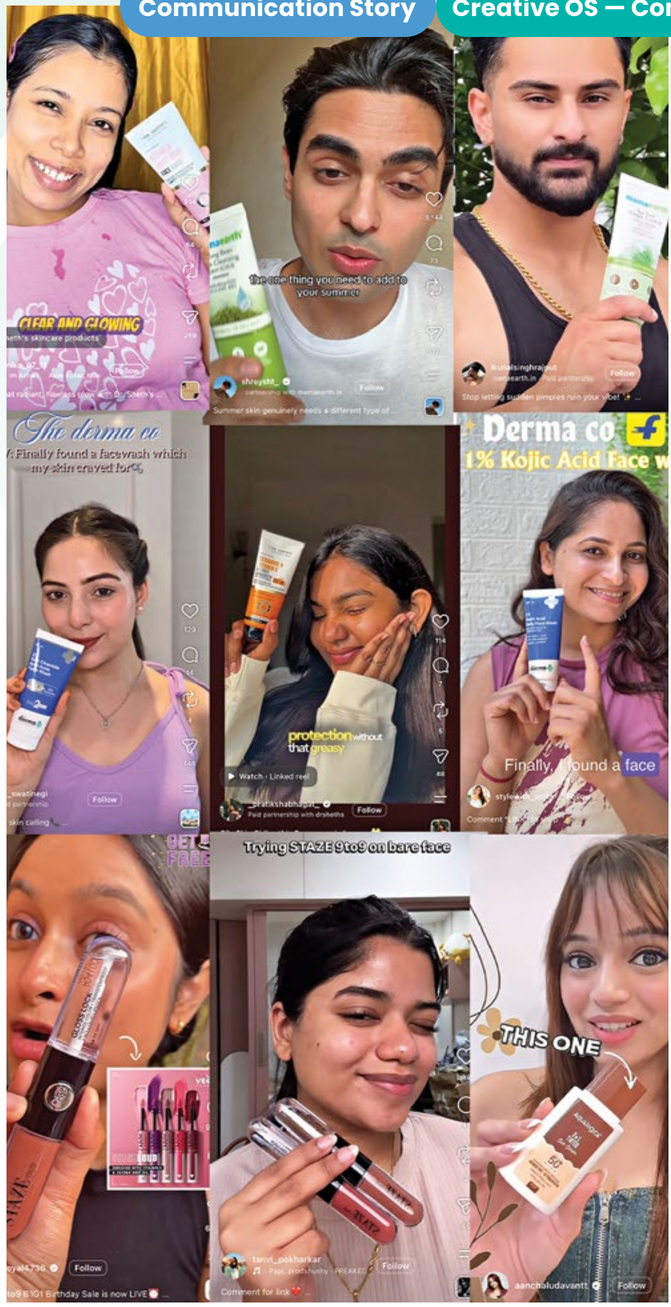
Communication was once built one creator at a time. Today it is built by a million consumers, faster, cheaper, and learning a little more with every cycle.

For most of our first decade, communication at Honasa was made by people, one creative at a time. A campaign began as a concept, passed through several teams – brands, creative, media, and production – and took three to four weeks to travel from idea to life. In a year, we made thousands of creatives. The media plan that carried them was drawn up once and held for twelve months. The message was led by the creators and communities we partnered with, and it spoke to nearly everyone in broadly the same voice.

We have since turned that model inside out. Communication is now personalised and led by our consumers themselves. The people who use our products make the content, and we make it at the scale of lakhs of creatives, not thousands. A concept now moves from idea to launch in a single week, without waiting on a relay of teams. And the media mix that decides where each creative runs is no longer fixed once a year; it is remodelled every week against shifting platform algorithms and live performance, so spend follows what is actually working.

The shift is not only about volume or speed. It is about a system that sharpens with every cycle, learning which messages land, for whom, and why, and feeding that intelligence straight into the next wave.

Communication Story | **Creative OS — Content at the Scale of Millions**



Making Millions of Creatives at the Scale of Millions

Earlier

Identifying and producing the right content has always been demanding work. A team would study a few references, write scripts by hand, brief a production crew, and wait to see how the work performed once it was already live. Insight arrived after the fact, and volume was capped by how many people we could put on the problem.

How Creative OS helps

Creative OS, our proprietary content engine, brings intelligence and scale to how we create. It reads live market signals to understand what is resonating with consumers, generates and produces finished content through state-of-the-art generative AI in hours rather than weeks, and refines each piece against our standards before launch — content that is faster, sharper and consistently relevant.

The Outcome

What once took weeks and a room full of people now happens at the scale of lakhs of creatives, pre-screened for compliance and virality. Built on a decade of our own data, CreativeOS is an advantage that compounds with every campaign rather than one a competitor can buy.

LISTEN → CREATE → CHECK

CreativeOS

Available

to Consumers on Every Touchpoint

	Then	Now
Online	A D2C and e-commerce first-mover, incubating brands online	An across-channel demand engine: D2C listens, e-commerce scales, and quick commerce compounds
Offline	Indirect, super-stockist-led, with limited visibility	Direct, distributor-led and technology-enabled: one of our fastest-growing most profitable channels

From an online-first builder to a true omnichannel operator present wherever the consumer chooses to shop.

We were built online. In our early years, D2C and e-commerce were not just where we sold but how we learned, a first-party-data feedback loop that let us listen to consumers directly, validate ideas quickly, and build brands with a precision that conventional distribution could not have offered. That digital-first foundation remains a structural advantage.

As we have grown, we have evolved into a true omnichannel operator, with each channel playing a defined role. New brands and propositions are still born digital, where D2C acts as our listening post. E-commerce then scales them to a wider audience, and offline and quick commerce, the fastest-growing shelf in Indian beauty, has become a natural fit for our high-frequency, focus-category products. Different platforms call for different capabilities, and we have built dedicated playbooks for each, from discovery-led platforms that suit our younger brands to search-led platforms that drive our established ranges. Offline completes the picture. We rebuilt our general trade engine from an indirect model into a direct, distributor-led network with real-time visibility and disciplined execution, extending our reach far beyond the digitally native consumer.

Importantly, breadth has not come at the cost of economics: our channels carry broadly similar contribution margins, and we have shown that an online-led brand can be highly profitable. Each channel now reinforces the others, the demand built online travels with our brands onto the shelf.

Channel Story 01 | **Offline**

Building a Direct Distribution Engine and Best-in-Class Execution

Our offline ambition was always limited less by demand than by visibility. The early indirect, super-stockist-led model gave us reach but little line of sight into what was actually selling and where. So, we rebuilt the engine directly.

Today we operate through a network of direct distributors that now account for close to 80% of our general trade billing, up from roughly a third, two years ago, reaching over a lakh outlets, a near sixfold expansion in directly served stores in two years. A technology layer of real-time distributor management and sales-force automation now brings discipline and visibility to every beat. Increasingly, AI is turning everyday fieldwork into capability: the thousands of retailer conversations our teams have each day, once unrecorded, are now being increasingly captured and analysed to coach each salesperson on their specific gaps directly through their sales app, shifting training from occasional and generic to continuous and individual.

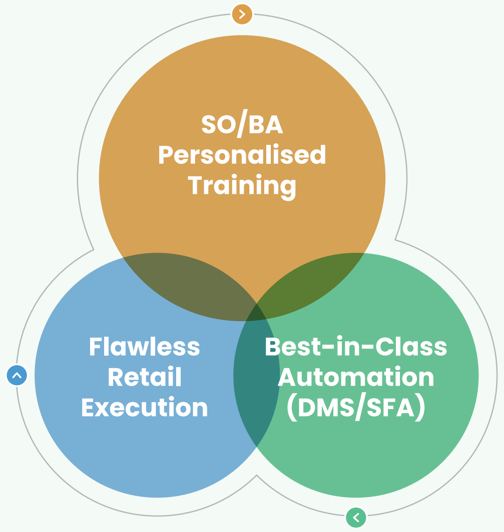
~20K → 1.2+Lakh

Outlets over two years

10,000+

Outlets across 30+ modern trade chains

Modern trade has scaled in parallel, powered by a store-level execution model that tailors assortment and visibility outlet by outlet. We are also making the shelf itself smarter: at select displays, consumers can scan a code for product education and reviews or use an integrated skin analyser to find the right product for their skin, bringing the richness of online discovery to the physical aisle. This discipline has translated into both growth and standing, and across general and modern trade, deeper reach has strengthened the economics of our offline business rather than diluting it.



Channel Story 02 | **Online**

Winning In the Channels of the Future

Quick commerce reshaped how Indian consumers buy beauty almost overnight, collapsing the distance between discovery and delivery and rewarding brands that could move at its pace. Because we were already data-native, fluent in reading demand signals and acting on them fast, we built dedicated capability for the channel early, rather than treating it as an extension of e-commerce. That head start shows in the results. Our quick commerce business more than doubled over the past year, growing well ahead of the channel itself, and now contributes around a tenth of our revenue. The momentum has been strongest in our high-frequency focus categories, where rapid replenishment suits the format naturally. In face washes, our largest category, we gained meaningful market share on the channel over the year, and across quick commerce our shares run ahead of our presence in other channels — a sign of how well the format fits our portfolio.

From Technology that Informs to Technology that Acts

	Then	Now
Role of Technology	Deliver intelligent insights to inform decisions	From Insights to Action
Time Took	Machine learning and BI dashboards	30+ AI agents working across business functions, real-time

Our technology used to tell us what was happening. Now it acts on it, turning a decade of our own data into a moat that compounds.

For most of our first decade, technology at Honasa was built to tell us what was happening. A backbone of ERP systems and spreadsheets kept the business running, and on top of it we layered real-time intelligence. Machine-learning models powered our media mix modelling; forecasted demand down to the geography; and kept our supply chain agile, while live dashboards gave us a 360-degree view of every channel, a single source of consumer touchpoint data, and reporting our leadership could act on the same day. It was live, data-led and best-in-class for its time, but its job was to inform a decision that a person still had to make and carry out.

We are now moving from intelligent insights to intelligent actions. Rather than only surfacing what is happening, our technology increasingly acts on it. Our Agent OS organises more than thirty AI agents into two operating layers spanning the consumer value chain. A Consumer Intelligence OS senses the market through trend-discovery and pre-launch simulation tools; sharpens our creator and creative work through social intelligence and neuro pre-testing; converts demand into revenue efficiency across ads, search and chat; and measures the outcome, closing the loop from signal to action with every cycle. An Enterprise Enrichment OS extends the same agentic approach into finance, supply chain, and hiring, making the entire organisation faster with accuracy.

Some of the examples that are already live today include:

Tesseract - Our consumer testing platform simulates how thousands of AI-modelled consumer personas, built on real purchase and behavioural data, respond to new product concepts, pricing, claims and brand names before a rupee of media spend is committed.

Creative OS – An end-to-end agentic pipeline that takes a creative brief from influencer signal to a delivered, quality-checked draft, cutting ideation time significantly while keeping human review at the final gate.

What makes this durable is not the technology itself; every company will soon have access to similar models and infrastructure. What compounds are the data beneath them. Over the past decade, Honasa has built a proprietary data asset spanning multiple brands, more than 25 million consumers, 50+ attributes per consumer, and 50,000+ creator relationships, translating into a data corpus in the hundreds of terabytes across consumer, creator, commerce and operational signals. Our agents are trained on this Honasa-specific behavioural history, not on generic category data, a distinction that shows up directly in decision quality.

Our approach is deliberate: we adopt the best available AI models as they evolve, while investing to own and compound the proprietary data that powers them.

Honasa 2.0 | Agent OS is Turning Tech into a Compounding Moat

Spread across 6 Business Functions

30+ AI Agents

Consumer Intelligence OS
- Sense - Market Intelligence
- Influence - Creator + Creative
- Convert - Revenue Efficiency
- Learn - Measurement

Enterprise Enrichment OS
- Finance
- Supply Chain
- Knowledge
- Hiring

AI-enabled Skill Architecture

Function-wise custom agentic workflows

Profitable

by Design

	Then	Now
Building	Built broadly and scaled through central teams	Built through a defined playbook – one hero product, one entrepreneur-led pod
Economics	Around four years to contribution-margin neutrality	Contribution-margin neutral by year two – profitable by design

Mamaearth and The Derma Co are already at genuine scale, with Aqualogica, Dr Sheth's, BBLUNT and Staze on their own scale-up path behind them. What has changed is the speed of that journey: a new brand once took roughly four years to pay its way, and our brands are now built to be contribution-margin neutral by year two – profitable by design, not by chance.

In our first decade, a brand was built broadly, scaled through central teams and judged over a long horizon. That model gave us a portfolio across categories, but it tied up capital for years before a brand paid its own way.

We have since added a defined playbook. We enter through additive partitions, so each brand expands the portfolio rather than competing with it. We anchor it on one hero product that proves demand and funds what follows. We hand it to an entrepreneur-led pod carrying real ownership. And we start it with AI toolkits built from our own past launches.

The second shift is from building alone to building on the engine. A new brand plugs straight into our channel playbooks, content capabilities, procurement base and omnichannel distribution – it inherits them on day one. That inheritance is what compresses the timeline.

Time to contribution-margin neutral

Brand Building Story | **The Scale-Up and Profitability Journey**

Margin used to arrive late. A young brand carried the full cost of finding its consumer. Leverage came only with size, and with it, the temptation to buy margin by pulling back on the brand.

Three levers now do that work earlier:

Channel Mix — A brand is born online, but quick commerce and offline take a growing share as it matures, each reaching a consumer at lower cost.

Performance Spend — Rebuilt playbooks, always-on activity, sharper media-mix modelling and AI-led optimisation mean the same rupee returns more.

Procurement — Seven brands buy through one base and share a supply chain, so a new brand inherits the portfolio's buying power immediately.

The fourth lever we deliberately leave alone. Brand spends, as distinct from the channel spends that distribute the brand, are held broadly steady as a share of revenue. We do not fund margin from brand-building, which is why the leverage repeats with every brand we add.

Deploying Capital with Discipline

We run a structurally negative working capital business that generates cash through the year, so the balance sheet keeps building, and capital allocation is a live question rather than a periodic one. Our order of preference is simple: organic investment behind the brands first, disciplined inorganic additions second, and a return to shareholders where capital would otherwise sit idle.

Organic investment comes first because it earns the most. Mamaearth and The Derma Co are double-digit EBITDA businesses, and every rupee put behind demand generation, distribution and new products in them generates the highest return on capital in the portfolio. We keep building new brands alongside them, and the playbook that shortens a brand's path to contribution margin neutrality does two things at once, it lowers the drag on the P&L, and it brings the return on that capital forward.

Inorganic growth follows a clear framework. Every acquisition we evaluate sits across three axes, and a target has to earn its place on at least one of them.

Axis	What We Look For
Category	White space adjacent to the portfolio
Proposition	Differentiated equity, we can scale across our network
Capability	Know-how that the portfolio does not currently possess in-house

We are as rigorous on size and price as on fit. Deal size is capped as a share of our market capitalisation; we look for reasonable valuations and margin-accretive financials, and we size each commitment to the maturity of the opportunity rather than to the cash available. The metric that keeps us honest is return on capital employed and we target investments that are accretive to it.

Where capital would otherwise sit idle, it goes back: the maiden dividend declared this year was a deliberate signal, and we intend to keep rewarding shareholders from incremental cash while retaining a war chest for strategic opportunities.

Capital Allocation Case Study 1 | **Reginald Men**

Reginald Men: A Play on Men's Beauty & Personal Care

Reginald Men, launched in 2022, had built something that is difficult to manufacture: genuine product love. Its sunscreen-led range carried a multi-benefit proposition, sun protection and moisturising in a single product that had made it the most-searched men's sunscreen brand on Google, with over 80% of sales concentrated in South India. It cleared two of our three axes at once. The proposition was differentiated and proven, and the category was additive to a portfolio that had no dedicated men's brand.

What we brought was reach. In its first quarter of consolidation the brand doubled revenue year on year and crossed a ₹100 crore annual run rate, holding its South India stronghold while unlocking Maharashtra and strengthening e-commerce and quick commerce. Our content playbooks were deployed to open those new geographies. The brand already had the product right; we supplied the distribution and the demand engine.

Capital Allocation Case Study 2 | **Fang**

Fang Oral: Shaping the Future of Oral Beauty

Fang is a prestigious oral-care brand built around teeth whitening and everyday oral wellness, with clinically backed formulations that treat enamel safety as a core principle and a clean-label position, free of fluoride, SLS and artificial colours. It ranks among the top three players in toothpastes on key marketplace platforms that it operates on, and its founders bring deep experience across personal care manufacturing, brand-building and marketplaces.

Oral beauty is an early category, a genuine adjacency where consumer behaviour is still forming. A minority investment lets us participate in it and learn from it at a size proportionate to that uncertainty, while leaving room to play a larger role as the brand scales.

REGINALD MEN

Proven Proposition | Full Acquisition | Distribution Applied

fang

Emerging Category | Minority Investment

Same Vision, Different Model of Capital Allocation

Seasoned
and Hungry

Then	Now
Built on deep experience and proven expertise	Experience paired with a builder's mindset: ownership tied to the value created

We have always valued deep experience. Today we pair it with a builder's mindset, and structure ownership so that those who create value share in it.

The people who build a company shape everything it becomes, and talent is the capability we have invested in most deliberately. From our earliest years, we drew on deep experience and proven expertise, bringing seasoned leaders and established FMCG craft into a young organisation, a foundation of capability that continues to serve us well.

As we have grown, we have built on that foundation by adding a second dimension to what we look for: a builder's mindset. Alongside experience, we now place equal value around three principles that describe how we work: Act Now, Do More with Less, and Own It. Crucially, we have aligned reward with that sense of ownership. Through a milestone-based stock-ownership programme introduced this year, we extended a genuine stake to high-impact talent across the organisation. The principle is simple: those who help shape Honasa's future should share in the value they create. It is how we turn talented people into owners, and owners into the builders of our next chapter.

The Next Five Years

A decade in, the shape of the next five years is clear to us. Five goals define what winning looks like by FY 30-31, and a portfolio built so that no single brand has to carry all of the growth.

1	**Fastest FMCG to ₹5,500+ Cr**	The fastest FMCG company in India to reach ₹5,500+ Cr
2	**Mamaearth at ₹2,000+ Cr**	Already the fastest brand to ₹1,000 Cr — now the fastest to ₹2,000 Cr
3	**More Flagship Brands**	The Derma Co beyond ₹1,500 Cr, plus at least two more ₹500+ Cr brands
4	**Category Leadership**	National leader in at least two skincare categories, top three in at least two more
5	**15% EBITDA**	Unlocking 500 bps through higher-margin channels, category mix and scale

How the Revenue is Built

Growth comes from three places at once, the core compounding, the younger brands scaling, and new categories opening.

₹5,500 Cr

Total Revenue

Core Brands

₹3,750 Cr

mamaearth · The derma co

Younger Brands

₹1,500 Cr

BBLUNT · STAZE · Aqualogica · DR. SHETH'S · REGINALD MEN

₹250 Cr

Next-horizon Categories

Nutraceuticals, fragrances and oral care are the next-horizon categories, each an adjacency to the routines our brands already serve.

Results of Resilience

Revenue from Operations (₹ Mn)

FY 23-24	19,199
FY 24-25	20,669
FY 25-26	24,785

Revenue Growth (%)

FY 23-24	28.6
FY 24-25	7.7
FY 25-26	19.9

Underlying Volume Growth (%)

FY 24-25	13.2
FY 25-26	23.0

Cash Generated from Business (₹ Mn)

FY 24-25	822
FY 25-26	1,340

Revenue Share From Online Channels (%)

FY 23-24	65.0
FY 24-25	72.4
FY 25-26	68.0

Gross Profit (₹ Mn)

FY 23-24	13,391
FY 24-25	14,540
FY 25-26	17,641

Gross Profit Margin (%)

FY 23-24	69.7
FY 24-25	70.3
FY 25-26	71.2

EBITDA (₹ Mn)

FY 23-24	1,370
FY 24-25	685
FY 25-26	2,312

Revenue Share from Offline Channels (%)

FY 23-24	35.0
FY 24-25	27.6
FY 25-26	32.0

Working Capital Days of Sale (Days)

FY 23-24	13
FY 24-25	(24)
FY 25-26	(14)

EBITDA Margin (%)

FY 23-24	7.1
FY 24-25	3.3
FY 25-26	9.3

Restated Profit/(Loss) Before Tax (₹ Mn)

FY 23-24	1,471
FY 24-25	896
FY 25-26	2,573

Restated Profit/(Loss) After Tax (₹ Mn)

FY 23-24	1,105
FY 24-25	727
FY 25-26	2,002

- *Revenue from operations is presented on a like-for-like (LFL) basis, adjusted for a change in the settlement mechanism of the Flipkart group, which had an impact of ₹870 Mn in FY 25-26. Consolidated revenue includes BTM Ventures Limited (Reginald Men), consolidated only for Q4 FY26. All margin percentages are computed on LFL revenue for FY 25-26.*
- *Underlying Volume Growth (UVG) is volume growth excluding the price impact for the period, computed on constant turnover at base-period realisation.*

Progressing Responsibly

We make products from what the earth provides. That imposes an obligation, and we have chosen to meet it in the places where our footprint is largest: the plastic we put into the market, the green cover our sourcing depends on, and the air our consumers breathe.

Our approach is not to offset elsewhere what we take here. It is to return more than we use in the same systems we draw from, recovering more plastic than we sell, planting more trees than our packaging costs, and doing it through partnerships that hold us to the outcome rather than the intention.

Plant Goodness

Plant Goodness was launched to address deforestation while creating income for farmers, promoting agroforestry by supporting them to plant fruit- and fodder-bearing trees on their own land. Implemented with the Sankalptaru Foundation, it pairs plantation with farmer training, restoring green cover while strengthening rural livelihoods.

To date the initiative has facilitated the plantation of over 11,01,200 trees, against a commitment to plant more than 20,00,000 by 2030. Farmers receive saplings alongside practical guidance on nurturing plantations, including training in vermicomposting and drip irrigation to support soil health and water efficiency.

11,01,200+

Trees planted to date

Promoting a Circular Economy

Reducing environmental impact and improving material circularity sit at the centre of our approach. Through our partnership with GEM Enviro Management Limited, in place since 2018, we support responsible plastic waste management and recycling aligned with our plastic-neutrality commitment, including training in vermicomposting and drip irrigation to support soil health and water efficiency.

As a plastic-positive company, we recover more plastic than we put into the market.

15,500+ tonnes

Plastic recycled to date

Plastic Positive

We recover more plastic than we put into the market

Goodness in the Air: The Intervention

Through the peak pollution season in Delhi-NCR, anti-smog vehicles operated across high-pollution pockets of Gurugram from November to December. Alongside them, roughly 3 km of GMDA green belts were developed as long-term dust and pollution buffers, planted with multi-layer native cover and supported by drip irrigation for sustained air filtration rather than seasonal relief.

3 Km

GMDA green belts in Gurugram, developed as natural dust and pollution buffers

Honasa Forest: How It Was Built

At Aravalli Creek, a degraded dumping site has been transformed into a named, protected 6,500-tree ecosystem. The method matters as much as the outcome.

More than 14,000 saplings across 48+ native species were planted using the Miyawaki high-density method, which accelerates natural forest succession by planting native species close together, producing a self-sustaining ecosystem far faster than conventional plantation. The site is under year-round stewardship through NGO partners, covering survival tracking, soil nourishment and sapling replacement, because planting a tree and growing a forest are not the same thing.

6,500 Trees

Honasa Forest at Aravalli Creek, a protective ecosystem grown from 14,000+ saplings across 48+ native species

Expanding
Access and Opportunity




Every brand in our House of Brands carries a cause, and none was chosen at random. Each one gives back in the language it knows best: our actives-led personal care brand advances scientific learning, our hydration brand brings water to those who lack it, our salon brand trains hairstylists, and another takes doctors to those without access to care.

That is deliberate. A programme works when the company running it already knows the field, and it earns credibility with consumers when the connection is obvious rather than explained. Each initiative is delivered with a specialist implementation partner, funded through purchases on the brand's own website, and built to close one specific gap in access, awareness or opportunity.

Our Community Initiatives

The Derma Co: Young Scientists

High-quality practical science education for underserved students

BBlunt Shine Academy

Vocational hairstyling training for women, enabling skills and financial independence

Aqualogica: Fresh Water for All

Clean drinking water for remote rural communities

Dr. Sheth's Healthy India, Healthy You

Mobile medical units and free healthcare for marginalised rural communities

The Young Scientists Programme

The Derma Co is built on evidence-based formulations. Extending that beyond products, every purchase on its website supports science education for underserved students.

The programme complements classroom teaching with hands-on learning. Implemented with Bhumi, it delivers experiential science education in government-aided schools in 80+ schools across 8+ cities, helping students grasp environmental subjects such as climate change and pollution through practical workshops, kits and pre- and post-assessment.

Programme Approach	
Inputs	Activity modules on the rising concerns of the climate crisis
Activities	• Practical workshops across 80+ schools • Kits and materials distributed • Pre-and post-assessments conducted
Outputs and Outcomes	• 48,000+ students engaged in practical, experiential science learning • Practical understanding of climate change built
Impact	Improved assessment scores post-intervention

80+
Schools participated in the programme

48,000+
Students empowered through practical, experiential science learning

Fresh Water for All

Aqualogica is built on hydration. Carrying that philosophy into its community work, the brand links every purchase to clean, safe drinking water for remote communities.

The programme was launched to reduce the daily burden rural households, particularly women, carry in accessing potable water. Implemented through the Watershed Organisation Trust, it pairs water infrastructure with community mobilisation.

Programme Approach	
Inputs	Need assessment and technical expertise
Activities	• Water tanks installed in villages • Community mobilisation
Outputs and Outcomes	• 1,500+ households with easy access to clean, safe drinking water • Village Development Councils were formed for community-led ownership and long-term maintenance • Community resilience strengthened
Impact	Thousands of hours saved daily, time otherwise spent collecting water now used for earning income, childcare and household work

1,500+
Households with access to clean, safe drinking water

Mostly women-focused interventions

Shine Academy

BBLUNT holds that confidence begins with skill. Through Shine Academy, we turn salon expertise into livelihoods for women from underserved communities in the beauty and wellness sector.

The programme offers a sponsored foundation course in hairstyling, delivered with the Sambhav Foundation across online and offline formats, combining theory with practical training for both first-time learners and working professionals.

Programme Approach	
Inputs	• Online and offline hairstyling course
Activities	• 3,50,000+ hours of training delivered
Outputs and Outcomes	• 18,000+ women across the country • Freshers and working professionals, metro and non-metro • Livelihood creation supported in a high-demand industry
Impact	18,000+ women certified

18,000+
Women certified

3,50,000+ hours
Training delivered

Healthy India, Healthy You

With Doctors for You, Dr. Sheth's runs the Healthy India initiative to strengthen primary healthcare access in rural India. Through the Healthmobile on Wheels — a van staffed with doctors, nurses and medical assistants — we bring consultations, diagnoses, medicines and health awareness directly to remote villages. Every purchase on the Dr. Sheth's website helps sustain the programme.

Programme Approach	
Inputs	A healthmobile van staffed with doctors, nurses and medical assistants, equipped for primary healthcare delivery
Activities	Regular consultations, diagnosis, distribution of medicines and health awareness sessions
Outputs and Outcomes	• Improved access to essential healthcare for rural communities, particularly vulnerable populations • Free consultations and essential medicines provided • Funded by every purchase on the Dr. Sheth's website
Impact	Preventive and primary care access strengthened in remote regions of Masadi, Bihar

48,500
Health check-ups completed

Culture, Capability and Growth

At Honasa, our people continue to remain central to how we build brands, strengthen capabilities and scale responsibly. As the organisation evolves, we remain focused on creating a workplace that encourages ownership, collaboration, continuous learning and meaningful contribution across teams.

We believe long-term organisational progress is closely linked to the growth and well-being of our people. Our approach therefore continues to focus on strengthening an inclusive and performance-orientated culture where individuals are empowered to learn, innovate and grow alongside the business.

3,400+

Employees across the organisation

50%+

Employees represented by women

Source: including off-roll employees

Refreshing Our Core Values

As we scale across categories, brands and markets, our culture has to scale with us. During the year we revisited and refined our core values to reflect how we work today. The exercise drew on broad engagement across teams and functions, giving the organisation a hand in defining the behaviours that guide it.

The Six Values

- **Act Now:** Prioritise speed, informed decisions and continuous learning
- **Do More with Less:** Pursue efficiency through resourcefulness and creativity
- **Own It:** Bring accountability, initiative and leadership to outcomes
- **Obsess over the consumer:** Keep consumer needs at the core of every choice
- **Push Boundaries:** Challenge assumptions and pursue bold, transformative ideas
- **Think We Before Me:** Collaborate effectively and value collective progress

Culture of Continuous Learning

We built out our learning and development framework through structured programmes across all levels of the organisation.

Gallup StrengthsFinder: Introduced for our leadership teams in partnership with Gallup, combining detailed assessments with facilitated sessions to give leaders clarity on their strengths and development areas and to create a shared strengths-based vocabulary that improves collaboration.

IGNITE: Our mid-level leadership programme, built on experiential learning: guidance from senior leaders, a campus immersion at XLRI centred on first principles and decision-making, Mamaearth case discussions led by business leaders, and a storytelling workshop pairing data with narrative.

PMDP: The People Manager Development Programme equips first-time managers across three areas: Managing Self (growth mindset, learning agility, and emotional awareness), Managing Others (communication, clarity, and empathy) and Managing Business (business acumen, decision-making, and problem-solving).

Leadership and Succession

We develop the next generation of leaders by aligning individual development with where the business is going. Structured succession planning, focused programmes and exposure to strategic projects prepare people to take on broader responsibility and keep the leadership pipeline strong. During the year we also strengthened the leadership bench, bringing in senior talent to build new businesses.

Diversity

Women make up over 50% of our workforce, up from 45% a year earlier, continuing our track record of gender-balanced growth.

Celebrating Excellence

Recognition sustains a high-performance culture. We celebrate the individuals and teams whose work reflects our values through Honasa Heroes, the Avengers Awards for high-performing teams, Goodness O'Clock, Ring the Bell, Journey Awards, Value Champions and Learning Champions.

The Trust We Uphold

Governance sits at the centre of how we operate and grow. Responsible governance builds long-term value and stakeholder confidence, and ours rests on an experienced Board, strong audit systems, technology-led processes and a steady emphasis on transparency and accountability.

Board Composition

Our Board consists of six members, bringing together executive expertise and independent oversight, with Independent Directors representing half its strength, ensuring balanced decision-making and alignment with shareholder interests. They contribute deep experience across FMCG, e-commerce and allied sectors, offering strategic direction that supports our long-term priorities.

Audit and Compliance

We hold to high standards of financial integrity through rigorous audit and compliance. Statutory audits are conducted by a Big Four firm, supported by leading internal audit partners who strengthen our control environment. The Audit Committee meets quarterly to review financial reporting, audit findings and the effectiveness of internal controls.

Risk Management

We embed technology-led processes across operations, making them more efficient and data-driven. Our risk management framework is overseen by a dedicated Risk Management Committee responsible for identifying, evaluating and mitigating key risks, allowing us to address challenges early. The framework spans the full range of risks relevant to our business — from governance, data security and regulatory compliance to market, operational and supply chain exposures — with clearly defined mitigation measures for each. Through continuous monitoring and periodic review, we work to strengthen resilience across the organisation and respond to emerging risks in a timely and structured manner.

Responsible Oversight in Action

Our Board and Leadership Team bring together experience across consumer businesses, brand building, operations, digital innovation, finance, governance and entrepreneurship. Their collective judgement shapes our strategic decisions and supports our focus on long-term, responsible growth.

Board of Directors

Varun Alagh

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

Ghazal Alagh

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

Ishaan Mittal

Non-Executive Nominee Director

Subramaniam Somasundaram

Lead Independent Director

Vivek Gambhir

Independent Director

Namita Gupta

Independent Director

Leadership Team

Varun Alagh

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

Ghazal Alagh

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

Raman Preet Sohi

Chief Financial Officer

Karanveer Bajwa

Chief Human Resources Officer

Avinash Dhagat

Chief Supply Chain Officer

Nilesh Kotalwar

Chief Marketing Officer

For detailed profiles of the Directors, please refer to the Company's website: https://honasa.in/pages/leadership-team

Management Discussion and Analysis

Global Macroeconomic Landscape

The global economy in 2025 demonstrated a steady but uneven performance across regions, with real GDP growth reaching 3.4%[1]. This growth was supported by better-than-expected performance in major economies such as the United States and China.

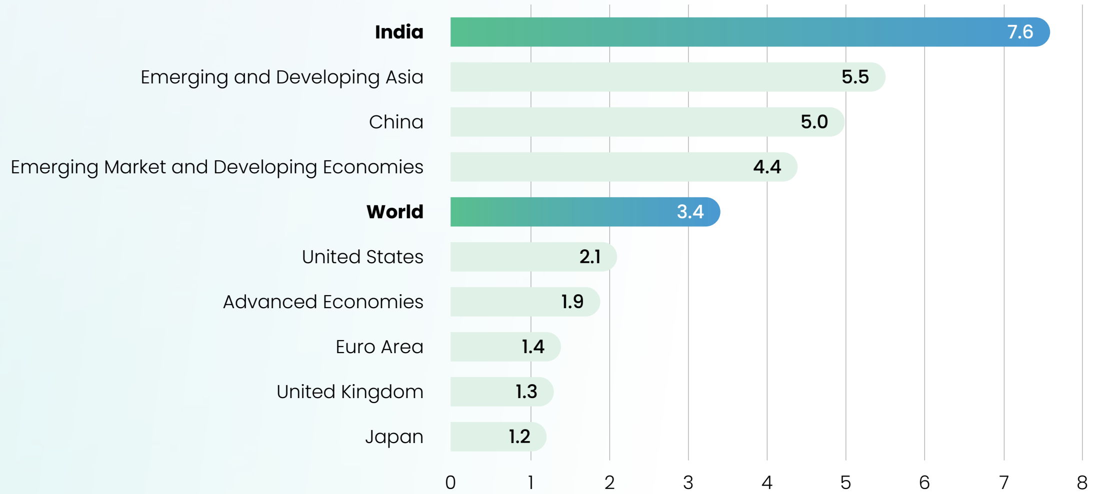
Looking ahead, global growth is projected at around 3.1%[1] in 2026, supported by resilient investment, steady technology-led demand and broadly accommodative financial conditions. Growth is expected to remain uneven across regions, even as the broader expansion stays on a steady footing.

In the United States, resilient consumer spending and steady investment in technology-related sectors were the primary growth drivers. Activity slowed sharply late in the year, when a federal government shutdown temporarily curtailed public expenditure, but the underlying momentum held and full-year growth came in at 2.1%.[1]

China held its pace at around 5.0%, supported by strong exports that offset relatively weak domestic demand. In the Euro area, growth improved to 1.4%, helped by higher government spending, most notably in Germany[1]. Japan returned to growth, with output rebounding to 1.2%[1] in the fourth quarter as private consumption and investment regained traction. Asia was once again the fastest-growing region: emerging and developing Asia expanded by 5.5%, **led by India at 7.6% supported by robust domestic demand and strong exports across South and Southeast Asia**.[1]

Real GDP Growth, 2025

Annual Change (%) — IMF World Economic Outlook, April 2026



Source: IMF, World Economic Outlook, April 2026 (Table 1.1). Figures are PPP-weighted real GDP growth. India shown on a fiscal-year basis.

Global trade remained strong in 2025, particularly in technology-related products used for digital and AI investment. This benefitted several Asian economies, which serve as critical suppliers in these segments.

Persistent Global Inflation Environment

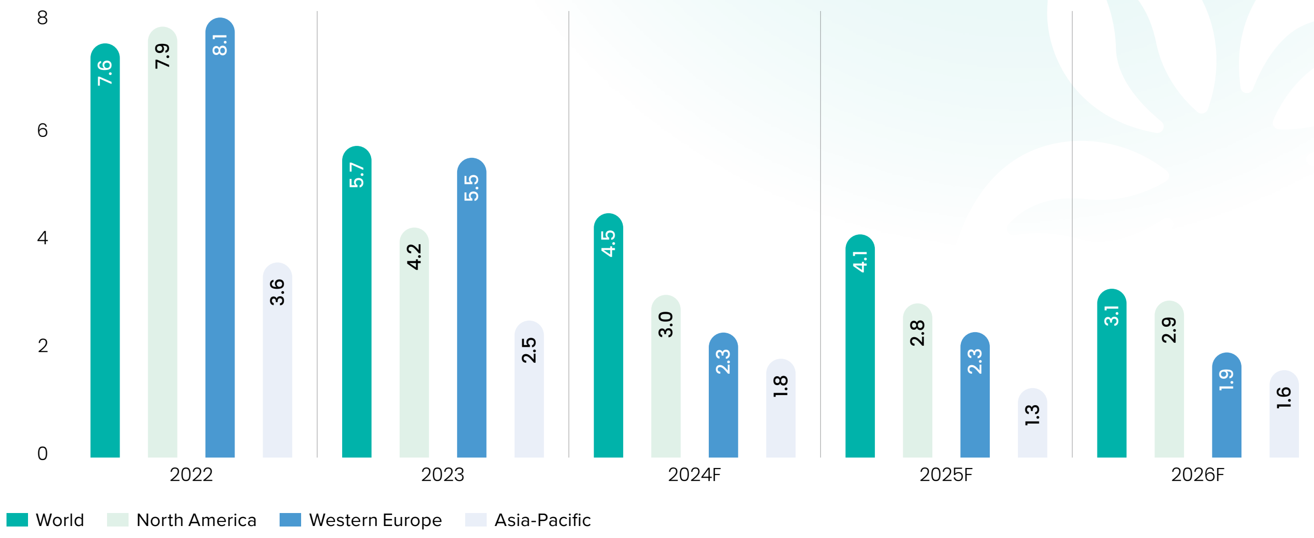
Global inflation stayed elevated through 2025, as the lingering effects of earlier supply disruptions and high input costs worked their way through economies. Headline inflation averaged around 4.1%[1] for the year, driven by volatile energy and commodity prices and by solid demand in several markets.

Trajectories diverged sharply by region. In advanced economies, headline figures eased gradually, yet core inflation stayed sticky amid high services costs and tight labour markets. In the United States, inflation held above the central bank's target, while in Japan it eased below 2%[1] for the first time since 2022. Emerging economies contended with higher inflation, compounded by currency depreciation and a heavy reliance on imported commodities, with strong external demand offering only a partial buffer. However, developing economies in the Asia-Pacific region were a relative bright spot: headline inflation stood at 3.5%[2] in 2025, supported by stable food prices and steady policy, is nonetheless expected to rise to 4.6%[2] in 2026.

Consumer price indices across most regions moderated through 2024 and 2025 from their earlier peaks but stayed above pre-pandemic levels. The decline has been gradual, held back by resilient demand and elevated input costs, while overall financial conditions tightened modestly amid geopolitical tensions yet stayed easier than long-run norms.

[1]IMF, World Economic Outlook, April 2026
[2]United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP)

Consumer Price Inflation (% Annual Change)



F=Forecast
Source: S&P Global Market Intelligence

~4.1%
Global headline inflation (2025)

~3.5%
Headline Inflation in Developing Economies of the Asia-Pacific Region (2025)

Inflationary pressure has rebuilt in 2026 as geopolitical disruption returned to energy markets. The conflict in the Middle East has pushed commodity prices sharply higher; overall commodity prices are expected to rise by around 16%[3] and energy prices by about 24%[3], while disruption along key routes such as the Strait of Hormuz, which carries a large share of global oil trade, has tightened supply further. Higher production and transport costs are feeding through sectors from food to chemicals to manufacturing, adding to global inflation and eroding purchasing power.

Second-round effects are compounding these pressures. Businesses are passing on higher costs, and workers are seeking wage rises to meet higher living expenses; where inflation expectations are less firmly anchored, the risk of inflation persisting for longer grows. Market uncertainty has also lifted risk premia and tightened financial conditions, adding a further layer of caution for households and businesses alike.

Global headline inflation is expected to rise to around 4.4%[4] in 2026 before easing to 3.7%[4] in 2027, though core inflation, which excludes food and energy, is likely to stay elevated across major economies, pointing to persistent underlying pressure. Inflation should moderate gradually thereafter but stay above historical averages, with emerging economies more exposed in the near term. Rising commodity prices are expected to push developing-economy inflation to around 5.1%[5] in 2026, higher than the previous year, as elevated import costs, currency movements and limited fiscal space weigh on both prices and growth.

[3]World Bank Group
[4]IMF, World Economic Outlook, April 2026
[5]World Bank Group Report, Commodity Markets Outlook, April 2026

Outlook

The global outlook for 2026 stays clouded by geopolitical instability in the Middle East. With the Strait of Hormuz carrying close to a third of the world's seaborne oil and around a fifth of global LNG, renewed tension has lifted energy prices, freight and shipping-insurance costs and lengthened transit times, sustaining inflation, tightening financial conditions and potentially delaying monetary easing. Set against this, the disruption is accelerating the global shift towards energy diversification, renewables, electrification and grid modernisation, which should strengthen long-term energy security.

For India, the most direct channel is energy. With close to 85%[6] of its crude oil imported and a substantial share drawn from the Middle East, the economy is exposed to price shocks that feed into inflation and raise input costs across energy-intensive sectors such as manufacturing, petrochemicals, logistics and fertilisers. Even so, India enters this period from a position of relative strength: firm domestic demand, growth of close to 6.5%[7] and easing headline inflation provide a meaningful buffer, while the accelerating push into renewables and domestic value addition should temper import dependence over time. The near term watchpoints are imported fuel costs and currency movements.

Indian Economic Overview

India's economy maintained strong momentum during FY 25-26, despite an uncertain global environment, and was among the fastest-growing major economies in the world. Growth during the year was supported mainly by domestic consumption, public investment, and expansion across the services and manufacturing sectors.

Real and nominal GDP growth for FY 25-26 was estimated at 7.6% and 8.9%, while Gross Value Added (GVA) growth stood at 7.9%[8]. The economy entered the year on a relatively strong footing, supported by infrastructure spending, policy-led reforms, improving private sector participation, and healthy consumer demand.

Domestic consumption was the biggest support for economic growth. Private Final Consumption Expenditure grew by 7.0% during the year and accounted for 61.5% of GDP, the highest recorded since 2012[8]. Lower inflation, improving employment conditions, and stronger rural demand helped underpin household spending. Urban consumption also improved, aided by tax rationalisation measures and easing price pressures.

Investment activity held up well. Gross Fixed Capital Formation grew by 7.8% and has maintained nearly a 30% share of GDP for the past three years[8]. Government-led capital expenditure was an important growth driver, particularly in roads, railways, logistics, and other infrastructure projects. Manufacturing activity also benefited from production-linked incentive schemes and improved industrial demand.

Growth was broad-based across sectors. Agriculture and allied sectors grew by 3.1%[8], supported by favourable monsoon conditions and better crop output. Manufacturing and construction growth stood at 6.2%[8], while the services sector led overall economic expansion with growth of 9.1%[8]. Services such as financial activities, trade, transport, hospitality, and digital services performed strongly through the year.

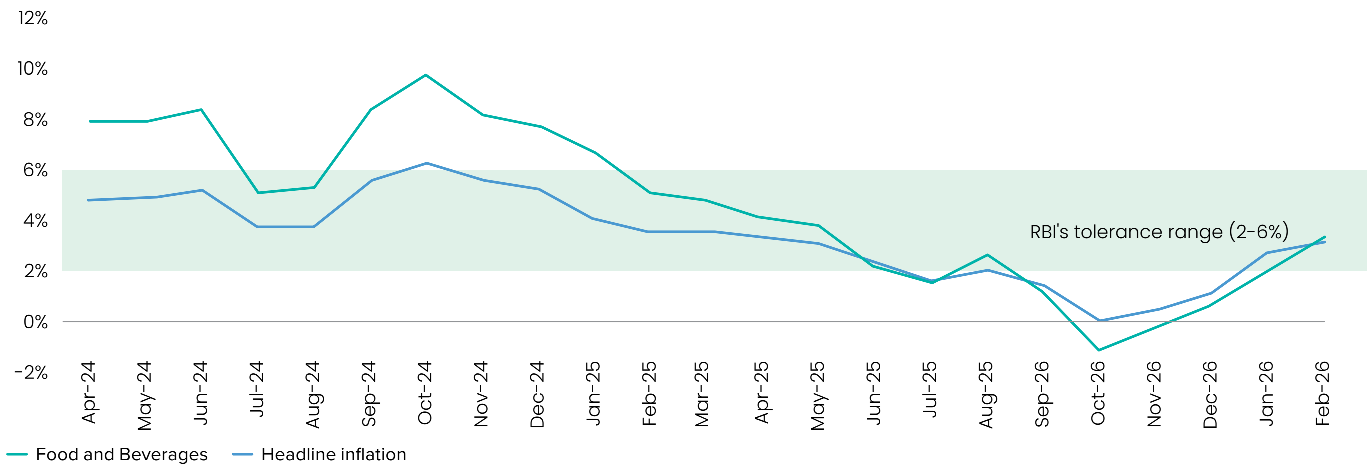
Inflation moderated significantly against earlier periods, mainly on lower food and fuel prices. Average headline CPI inflation stayed below the RBI's 4% target for most of the year. The easing inflation environment gave the Reserve Bank of India room to support growth through monetary measures, with the repo rate reduced cumulatively by 125 basis points to 5.25%[9]. This helped improve liquidity conditions and supported credit growth across sectors. India's banking and financial system also held steady during the year. On the external front, India was relatively stable despite global trade disruptions and geopolitical uncertainties. Strong services exports, stable foreign exchange reserves, and ongoing efforts to strengthen trade partnerships supported external sector stability. India also deepened its integration into global supply chains through trade agreements and manufacturing initiatives.

At the same time, global risks stay elevated. Geopolitical tensions in the Middle East, volatility in energy prices, and supply chain disruptions may add to logistics costs and inflation going forward. Even so, India's strong domestic demand base, infrastructure expansion, digital adoption, and ongoing structural reforms are expected to support long-term economic growth and stability.

[6]Crisil Ratings
[7]Economic Times
[8]Press Information Bureau (PIB)
[9]World Bank Group, India Development Update, April 2026

Inflation Remains Subdued During the Year

Headline Inflation Declined to Near Zero in October 2025



Source: CEIC and World Bank staff calculations.

Note: The shaded portion represents the RBI's tolerance range (2-6%).

Financial

India recorded unusually low headline inflation through FY 25-26, with pressure building only towards the year end. The key takeaways:

Headline Inflation at a Multi-year Low — averaging 1.9% between April 2025 and February 2026, against 4.7% a year earlier, and below the Reserve Bank of India's 4% target for most of the year.

Food Prices Drove the Decline — easing to near-zero by October 2025 on strong agricultural output, favourable weather, adequate cereal stocks and lower import duties on edible oils and pulses.

Wholesale Inflation is Equally Muted — at 0.4% for the year, against 2.3% in FY 2024-25, supported by softer food and fuel prices.

Core Inflation Held Higher — at 4.1% across the first three quarters, largely on rising gold and silver prices, with other components broadly stable.

CPI Rebased to 2024 — reducing the weight of food and beverages from around 46% to 37% of the basket in favour of services, housing and transport.

Pressure Returning in FY 26-27 — with Middle East energy and shipping disruption expected to lift headline inflation to around 4.9%, partly cushioned by fertiliser and cooking-gas subsidies and fuel-duty cuts, though energy imports and Gulf remittances remain points of exposure.

Outlook

India is expected to hold its place among the fastest-growing major economies in FY 26-27, though at a more moderate pace than the 7.6%[10] real growth of FY 25-26 as cyclical momentum eases. According to the World Bank's June 2026 report, India's real GDP growth is projected at 6.5%[11] for FY 26-27. This narrow spread among institutional forecasts reflects differing assumptions on energy prices and external demand rather than any shift in the underlying growth story.

Domestic drivers are expected to carry the expansion. Private consumption, public capital expenditure and services-sector activity should stay the principal supports, aided by earlier tax rationalisation, softer borrowing costs and steady rural demand. Public investment in roads, railways and logistics, together with production-linked manufacturing incentives, is likely to sustain the investment cycle even as private demand shows early signs of cooling.

Inflation is set to rise from the multi-year lows of FY 25-26.

The Reserve Bank projected average CPI inflation of 5.1%[11] for FY 26-27, against the sub-2% readings of the previous year, driven mainly by energy and shipping-cost pressures linked to the West Asia conflict; the World Bank's India Development Update placed the figure slightly lower, at about 4.9%. With inflation projected to rise through the year and growth moderating, the Reserve Bank held the repo rate at 5.25%[11] at its June 2026 review and kept a neutral stance, having lowered the policy rate cumulatively by 125 basis points across the preceding easing cycle.

The principal risks to the outlook are external. Crude oil price volatility, geopolitical tension in West Asia, shifts in US tariff policy and softer global demand could weigh on exports, the import bill and headline inflation through the year. Against these, India's domestic demand base, infrastructure programme, digital adoption and structural reforms are expected to underpin growth and keep the economy ahead of its global peers.

6.5%

Projected GDP growth rate of India in FY 26-27

[10] IMF

[11] EY, Economy Watch, June 2026 Report

Indian Retail Industry Market Landscape

India's retail sector shows strong structural growth, supported by rising consumption, favourable demographics and rapid digital adoption. Valued at $1.12 Trillion in 2025, it is one of the fastest-growing retail markets globally and is undergoing a steady transformation across both traditional and modern formats. The sector contributes over 10% of India's GDP and employs close to 8% of the national workforce, anchoring it firmly within the country's growth story.

Demand spans food and beverages, personal and household care, apparel, footwear and accessories, furniture, toys and hobbies, and electronics and household appliances, distributed across supermarkets and hypermarkets, convenience stores, speciality stores and online platforms. Regionally, consumption is broadening from the metros into smaller cities and emerging urban centres, supported by rapid urbanisation, rising affluence, infrastructure development and growth across the technology and IT sectors.

$1.1 Tn
Indian retail market size (2025)

10%+
Sectoral contribution to GDP

~8%
Employment of national workforce

~$1.9 Tn
Projected retail size by 2030, at ~10% CAGR

Sources: Deloitte–FICCI, 'Spotting India's PRIME Innovation Moment' (2025); Redseer.

Consumption Growth Driving Retail Acceleration

India is solidifying its position as a leading retail investment destination, driven by a large, young consumer base, rising incomes, rapid urbanisation and expanding digital access. With the world's second-largest population and a fast-growing middle class, the country offers significant long-term potential in organised retail, particularly across beauty and personal care, apparel and electronics.

Consumption is broadening and deepening at once. An estimated 155 million households are expected to earn more than USD 9,500 a year by 2030, materially expanding discretionary spending power. Gen Z is emerging as the defining cohort, spending around USD 250 Billion directly in 2025, while Tier 2 and Tier 3 cities now generate over 60% of e-commerce transactions. Urbanisation, a growing female workforce and the steady organisation of purchase channels reinforce this shift towards branded, aspirational and quality-led buying.

~155 Mn
Households earning >$9,500/yr by 2030

~$250 Bn
Gen Z direct spend (2025); ~10% of Direct consumption

60%+
E-commerce transactions from Tier 2/3 cities

Sources: Redseer (household income cohorts, 2030); Snap–BCG, 'The USD 2 Trillion Opportunity' (Gen Z direct and influenced spend); Deloitte–FICCI (Tier 2/3 share)

Evolving Consumers Driving Retail Transformation

Evolving consumer preferences are reshaping the sector and creating opportunities for differentiation through new retail formats and rising demand for personalised and sustainable products. Rising disposable incomes, urbanisation and the emergence of a large middle-class population underpin these shifts, while a growing preference for branded products is accelerating the move towards organised retail. Private consumption, particularly across discretionary categories, is a key growth driver.

Digital adoption is deepening this transformation. Rising smartphone usage, affordable internet access and widespread digital payments through UPI and mobile wallets have reshaped how consumers discover and buy. Social platforms such as Instagram, Facebook and WhatsApp increasingly shape purchase decisions through reviews and user-generated content, informing consumers and setting preferences well before purchase.

The Rise of E-retail

India's e-retail market has scaled significantly, reaching approximately $65–66 Billion in GMV in 2025 and growing at a 19–21% CAGR over the past five years. Over the same five-year period, the shopper base has doubled to around 290–300 million annual active shoppers, while the seller ecosystem has tripled, with a large share emerging from Tier 2+ cities. Gen Z now accounts for around 40–45% of e-retail shoppers, and Tier 2+ cities contribute nearly 50% of incremental orders.

Despite this scale, penetration is low at around 1.6% of GDP, against 4–4.5% in Indonesia and 13–14% in China, indicating substantial headroom. Shopper penetration stands at around 30% of internet users, well below China at 92% and the United States at 74%. With improving logistics, wider assortment and stronger delivery networks, retailers are increasingly able to serve Tier 2 and Tier 3 markets, widening reach further. The convenience of home delivery, flexible pricing and faster fulfilment is reshaping purchasing behaviour, reinforced by ongoing improvements in logistics infrastructure and expanding digital access.

$65-66 Bn
E-retail GMV in 2025, at a 19–21% CAGR

290–300 Mn
Annual active shoppers, doubled over five years

40–45%
Share of e-retail shoppers who are Gen Z

Source: Bain & Company in collaboration with Flipkart, 'How India Shops Online 2026'.

Quick Commerce: A Structural Shift

A defining structural trend is the rise of quick commerce, now operating across more than 80 cities and growing at an estimated 70–80% CAGR, among the fastest globally. It has scaled to approximately $10–11 Billion in GMV, supported by high population density, lower manpower costs and relatively low online grocery adoption. Underpinning this is a rapidly built network of dark stores, the small neighbourhood fulfilment centres that serve online orders exclusively, which now number around 6,000–6,500 across Indian cities and are improving delivery economics in high-density urban markets.

Since its emergence, e-grocery penetration has risen fivefold to around 1.5% of the total grocery market, reaching 6–7% in metro cities. Quick commerce mainly serves convenience-driven household needs, which account for 85–90% of GMV, while increasingly acting as a fulfilment channel for discretionary purchases.

Beauty and Personal Care records relatively high quick commerce penetration — around 18% of the category's online retail GMV flows through quick commerce, the second-highest of any category after grocery, reflecting a growing preference for faster, convenience-led purchasing.

The online retail mix is expected to evolve meaningfully, with quick commerce projected to lift its share of online retail GMV to nearly 25–30% by FY 29-30, even as traditional horizontal e-commerce gradually cedes share. Value commerce platforms are also expected to hold a meaningful presence, supported by rising demand from price-conscious consumers in Tier 2 and Tier 3 markets, where branded products are expected to grow their share within value commerce from around 6% in FY 25-26 to 25% by FY 30P.

45–50%
Q-commerce share of incremental e-retail GMV over five years

25–30%
Projected q-commerce share of online retail GMV by FY 29-30

~18%
Of Beauty's online GMV via quick commerce in 2025

Sources: Bain–Flipkart, 'How India Shops Online 2026'; Savills India; Bernstein (dark store estimates)

Towards Organised and Omnichannel Retail

While traditional e-retail still accounts for over 80% of the market, the wider structure is gradually shifting towards organised retail, with supermarkets and hypermarkets steadily gaining share from unorganised formats. This transition is supported by liberalised foreign direct investment norms, supportive government policy and evolving expectations around branded products and quality assurance.

Within the overall split, offline retail accounts for the large majority of sales, while online retail is scaling rapidly, expected to roughly double its share from around 7% of total retail in 2025 to nearly 14% by 2030 as digital access, logistics and fulfilment networks mature. E-retail journeys are becoming more targeted and deterministic, supported by improved personalisation and advertising relevance. Alongside this, the rise of value retail and premiumisation, together with the emergence of direct-to-consumer brands and new-age business models, is reshaping the competitive landscape. Sustainability is also emerging as a priority, with retailers adopting biodegradable, recyclable and reusable packaging, responsibly sourced supply chains and circular-economy practices such as recycling schemes, buy-back programmes and refurbishment to reduce waste and extend product lifecycles.

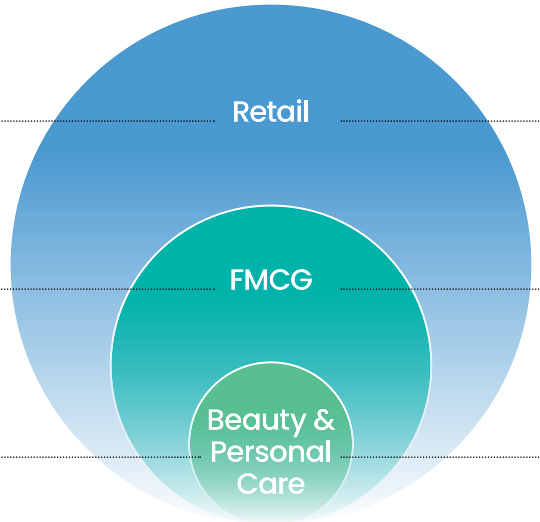
~14%
Online share of total retail by 2030

$75-260 Bn
Online retail value growth from 2024-2030

Source: Deloitte–FICCI.

Indian Market Size: Retail, FMCG and BPC

Market Size		Growth/Outlook
$1.1 Tn (2025)	Retail	~10% CAGR (2025-2030)
~$142 Bn (2025)	FMCG	~8% CAGR* (2025-2030)
$23 Bn (FY25)	Beauty & Personal Care	~12% CAGR (2025-2030)



Sources: Deloitte–FICCI/Redseer (Retail); CRISIL / Redseer (FMCG); Redseer, 'India's USD 40 Bn BPC Market' (2026)

Key Growth Enablers in the Retail Industry

Rising Internet and Smartphone Penetration
Affordable data and expanding device access continue to bring new consumers online, broadening the addressable market across urban and emerging regions.

Digital Payments Infrastructure
UPI, mobile wallets and seamless checkout have removed friction from online and offline transactions, accelerating formalisation and repeat purchases.

Convenience and Personalisation
Home delivery, faster fulfilment and tailored assortments are reshaping expectations, with quick commerce setting new benchmarks for immediacy.

Technology and AI Integration
Data-driven tools, artificial intelligence and generative AI are improving operational efficiency and reshaping discovery as consumer journeys shift from traditional search-and-browse towards more intuitive describe-and-get interactions.

Favourable Demographics
A large, young and digitally native population, with Gen Z increasingly influential, is expanding participation across categories and formats.

E-commerce Expansion into Tier 2 and Tier 3
Improving logistics and wider product availability are unlocking demand beyond the metros, now the primary source of incremental orders.

Rising Incomes and Discretionary Spending
Growing per-capita income, approaching the $4,000 inflection point for discretionary consumption, is elevating spending intensity.

Brand Consciousness and Premiumisation
Rising trust in branded products and appetite for elevated formats are supporting the shift towards organised retail and higher-value purchases.

Omnichannel and New Retail Formats
Integration of physical and digital channels is delivering seamless experiences, blending discovery, replenishment and routine purchase across touchpoints.

Policy and Conscious Consumption
GST reforms, income tax relief and higher MSPs are supporting demand, while rising awareness drives interest in sustainable, cruelty-free and locally produced products.

Outlook

The outlook for India's retail sector is positive, supported by strong macroeconomic fundamentals and sustained consumption growth. In the near term, geopolitical conditions in the Middle East are an external risk, mainly affecting freight costs, energy prices and global trade flows. Export-linked pressures are already visible, with India's exports to key Gulf markets such as the UAE and Saudi Arabia weakening amid regional disruption, and overall exports declining in March 2026. Rising uncertainty across critical maritime routes such as the Strait of Hormuz and the Red Sea has added to freight costs and transit times, pressuring supply chains and working-capital cycles.

These disruptions are amplifying cost pressures across retail-linked sectors dependent on global sourcing, including apparel, footwear, electronics and household goods, feeding gradually into retail pricing and constraining margin flexibility for organised players. Energy price volatility adds a further layer, given its direct bearing on transportation, warehousing and last-mile logistics.

Despite these challenges, the underlying demand outlook is strong. India is strengthening its position as a major global consumption engine, with the sector expected to play a central role in economic expansion. Retail is projected to reach around $ 1.9 Trillion by 2030 at a ~10% CAGR, with online retail nearly doubling its share of the mix. Consumption and discretionary spending have already rebounded, and e-retail reflects this recovery: the market grew 19–21% in 2025, with momentum lifting to 22–24% in the second half and holding into Q1 2026 at 23–25%. E-retail is expected to sustain over 20% CAGR and reach 10–12% of total retail spend by 2030, supported by rising digital adoption, improving logistics and higher spend per shopper as per-capita GDP crosses $4,000. Policy support through GST reforms, income-tax relief, favourable monsoons and higher MSPs should further strengthen consumption, alongside sustained growth in value retail and premiumisation.

Indian FMCG Industry

India's Fast-Moving Consumer Goods sector entered FY 25-26 on a resilient footing, with growth increasingly led by volumes, premiumisation and a rapidly digitising path to purchase. Spanning food and beverages, personal and home care, and healthcare, FMCG is a cornerstone of both urban and rural consumption and one of the country's largest contributors to employment and formalisation.

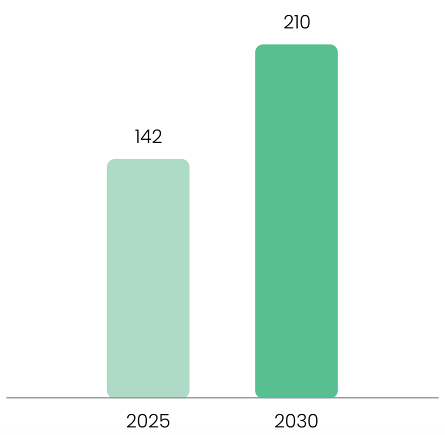
Valued at around $142 Billion in 2025 and growing at a CAGR of roughly 8%, the sector is on track to reach approximately $210 Billion by 2030. It draws strength from favourable demographics, rising incomes, deepening digital penetration and steady formalisation.

The Beauty and Personal Care (BPC) segment was valued at around $23 Billion in FY 24-25, and remains the fastest-growing sub-segment of the FMCG market. Growth is being driven by premiumisation and rising demand for ingredient-led, high-efficacy products, with the category projected to reach roughly $40 Billion by 2030 at a CAGR of about 12%. These shifts align closely with Honasa Consumer's digital-first, innovation-led strategy, which concentrates on high-growth categories and evolving consumer needs.

FMCG Market in India

($ Billion)

CAGR 8%



~$210 Bn
Projected FMCG market size by 2030 (~8% CAGR)

6–8%
CRISIL revenue growth estimate for FY 25-26

~62%
Urban share of FMCG revenue

Sources: CRISIL; NielsenIQ

A Resilient, Value-led Market

The sector's growth engine has rebalanced. Rural India outpaced urban markets for several consecutive quarters, with rural volume growth of around 8% comfortably ahead of urban markets, supported by favourable harvests, government initiatives and rising incomes. Urban demand, which contributes close to 62% of FMCG revenue, recovered gradually, aided by easing inflation, income-tax relief and improved consumer sentiment. Semi-urban and rural regions now account for roughly half of total rural FMCG spending, narrowing the historical urban–rural gap and broadening the base of consumption. Volume growth moderated from the highs of the previous year, but the underlying demand picture held steady, with pricing and premiumisation supporting value growth.

Digital Commerce Reshaping the Sector

Digital commerce has become a defining force. Online FMCG sales, which crossed $6 Billion in FY 24-25, are growing at over 30% a year and are expected to reach around 11% of total FMCG sales by 2030, led by direct-to-consumer models, deeper digital penetration and higher purchase frequency. Within this, quick commerce has emerged as the fastest-scaling channel: FMCG companies have reported sharp increases in sales through the channel, which now handles the majority of e-grocery orders and is driving convenience-led and impulse purchases across metros and larger towns. E-commerce salience is highest in the southern and metropolitan markets, where penetration has reached the mid-to-high teens, and festive-period demand has repeatedly underlined the channel's growing importance.

>USD 6 Bn
Online FMCG sales (FY 2024-25), growing 30%+ a year

~11%
Expected online share of FMCG sales by 2030

~16%
BPC share of India's FMCG market (2025)

Sources: NielsenIQ; IBEF; CRISIL Ratings; Redseer

Premiumisation and D2C Disruption

Two structural shifts are reshaping the competitive landscape. Premiumisation is gaining ground, with premium products now accounting for close to a third of FMCG sales as consumers trade up across categories, and, notably, premium consumption is rising fastest in rural markets, where average premium spend has compounded in double digits over the past five years.

In parallel, established players are increasingly buying their way into new capability rather than building it: around two-thirds of FMCG acquisitions between FY 2020-21 and FY 2024-25 involved direct-to-consumer brands. The pace of new launches has also accelerated sharply, up nearly 1.8 times in the year to May 2025, though only a small fraction achieved meaningful penetration, underlining how difficult it has become to build scale in a crowded market. Together, these shifts are pushing established players towards faster innovation, sharper portfolios and deeper engagement with younger, digitally native consumers.

Beauty and Personal Care: The Fastest-growing Sub-segment

Within FMCG, Beauty and Personal Care is the fastest-growing sub-segment. Valued at around USD 23 Billion in FY 2024-25 and growing at roughly 12% a year, it is projected to reach USD 40 Billion by 2030, which would make India the fourth-largest BPC market globally. Premiumisation, ingredient-led formulations, dermatologist-backed positioning and a rapidly digitising, younger consumer base set the pace — themes explored in detail in the section that follows.

Key Growth Enablers in the Retail Industry

Strong Demand beyond the Metros

Tier 2, 3 and 4 towns and rural India are now the primary engines of volume growth, supported by rising incomes, better access and the narrowing of the urban–rural gap.

Digital Transformation and E-commerce

Online channels, quick commerce and D2C models are expanding reach and purchase frequency, reshaping distribution and the path to purchase.

Premiumisation and Conscious Consumption

Consumers are trading up across categories and favouring health-led, sustainable and ingredient-transparent products, lifting value growth.

Smart Distribution and Omnichannel Integration

Salesforce automation, distributor-management systems and integrated online–offline networks are improving availability, data flow and efficiency.

Economic Stability and Consumer Confidence

Easing inflation, income-tax relief and stable rural incomes are underpinning demand and supporting a gradual urban recovery.

Policy Support and Infrastructure

Production-Linked Incentive schemes, GST reforms and rural infrastructure investment are strengthening manufacturing and market access

Resilience of Regional Manufacturers

Smaller and regional players continue to capture share in emerging categories, keeping the market competitive and locally relevant.

Competition and D2C Disruption

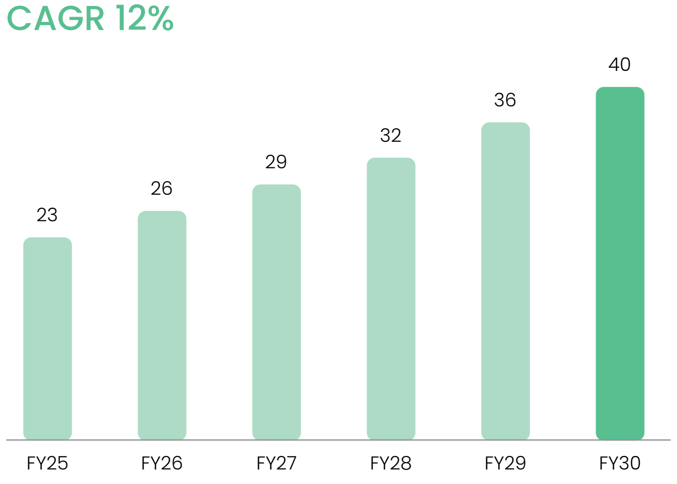
Digital-first brands are accelerating innovation and forcing incumbents to sharpen portfolios, pricing and consumer engagement.

Indian Beauty and Personal Care Industry

Beauty and Personal Care is the fastest-growing sub-segment within India's FMCG landscape. Valued at around $23 Billion in FY 24-25 and growing at roughly 12% a year, it is projected to reach $40 Billion by 2030, which would make India the fourth-largest BPC market globally, behind only the United States, China and Japan. The category has evolved well beyond basic hygiene and grooming to encompass lifestyle, wellness and self-care, with purchases increasingly tied to personal identity, self-expression and aspiration.

Growth is underpinned by rising disposable incomes, deepening urbanisation and higher discretionary spending across metros and emerging cities, reinforced by a young, digitally native and globally aware consumer base. Greater awareness of the drawbacks of chemical-led formulations has also lifted demand for natural, organic and ingredient-transparent products, with a large majority of consumers now treating clean formulations and proven efficacy as decisive purchase criteria.

BPC Market Size Trajectory to 2030
($ Bn)



$23 Bn
BPC market size (FY 24-25)

~$40 Bn
Projected size by 2030, at ~12% CAGR

4th largest
Global BPC market by 2030

Source: Redseer, 'India's USD 40 Bn Beauty & Personal Care Market' (2026).

Global Precedents: Where Digital Shifts Have Reshaped Beauty Markets

India's beauty market is following a path that has already played out in several larger markets. Across the United States, China and Indonesia, three forces, the rise of e-commerce, the shift of media to digital platforms and the emergence of creator-led social proof, converged over the past six years. In each case, as e-commerce took a materially larger share of total retail, the beneficiaries were not the incumbent multinationals but a new generation of home-grown, digital-first brands.

Market	E-commerce share of retail	Share gained by insurgent brands	Leading home-grown brands
United States	11% (2019) → 16% (2025)	+2,200 bps	Rare Beauty, The Ordinary, e.l.f.
China	35% (2019) → 47% (2025)	+1,700 bps	Proya, Winona, Perfect Diary
Indonesia	13% (2019) → 32% (2025)	+1,500 bps	Wardah, Scarlett, Somethinc
India	**7% (2025) → 14% (2030)**	**The Opportunity Ahead?**	

Sources: Redseer; Nielsen

The pattern is consistent. Digital channels lowered the cost of reaching a national audience, removing the distribution moat that had long protected scale players; digital media let brands speak to specific consumer segments rather than broadcast to all; and creator-led endorsement supplied the credibility that once required years of mass media investment.

Brands built natively for this environment, fast on innovation, fluent in content and close to the consumer compounded share quickly, typically in categories where they addressed a need the incumbents had overlooked.

India sits earlier on this curve. E-commerce accounts for around 7% of retail today and is expected to roughly double its share by the start of the next decade, which means the structural shift that reshaped competitive positions in these markets is still in its early stages here. The sections that follow set out the forces already reshaping Indian beauty, premiumisation and the shift to efficacy, the rise of Gen Z and Gen Alpha, and the rapid scaling of digital and quick commerce, each of which will determine how that shift plays out and who captures the value it creates.

Premiumisation and the Shift to Efficacy

Premiumisation is the category's defining trend. Indian consumers are increasingly gravitating towards solution-orientated, high-efficacy and sensorial products, favouring brands that offer clean formulations, ingredient transparency and an elevated experience. A clear shift from transactional to experiential consumption is underway, driven by greater awareness of global beauty standards, the influence of social media and a rising desire for personalisation. This has given rise to new subcategories such as derma-cosmetics, hybrid skincare-makeup and wellness-infused solutions.

Skincare and suncare lead the category, reflecting heightened awareness of pollution and UV exposure, while natural and organic positioning commands a substantial share of demand. Science-backed and dermatologist-led propositions are moving to the centre of the market, and the luxury segment is expanding steadily; its share is expected to rise from around 11% to 13% between 2025 and 2029 as Indian consumer look for premium products. Demand for Ingredient-led formulations is building further on India's traditional-wellness heritage, adding a distinctive dimension to premiumisation.

Gen Z and Gen Alpha at the Centre

Millennials and Gen Z together account for over half of India's population and are now the dominant BPC consumer cohorts, digitally native, globally aware and far more experimental than earlier generations. Their behaviour is shaped by a blend of aspiration, values and convenience: they seek brands that look good, work well and stand for something meaningful. Gen Z are expected to contribute nearly 50% of BPC spending by 2030, supported by rising women's workforce participation and growing discretionary incomes. Consumption is becoming more individual-centric, with members of the same household developing distinct product preferences, exemplified by the rapid adoption of suncare.

Purchase decisions are also increasingly researched rather than habitual, with around 85% of consumers comparing products across brands before buying, placing a premium on ingredient transparency, credible reviews and content-led discovery.

~50%
Gen Z share of BPC spend by 2030

50%+
Millennials & Gen Z share of India's population

Sources: Redseer; Y&S Analysis 2026 (consumer insights)

Six triggers increasingly shape beauty consumption among these cohorts:

Fast-paced Trends
Unique formats and Instagrammable packaging turn products into must-have items with short discovery-to-purchase cycles.

Status Signalling
Consumers are willing to pay a premium for brands that offer exclusivity and social currency.

Story-worthy Brands
Compelling narratives, from inclusivity to longevity and efficacy, resonate deeply and drive loyalty.

Peer Recommendations
The rise of micro-influencers has made peer-driven, credible endorsements a trusted source of inspiration.

Personalisation and Awareness
Individual-centric needs and rising ingredient literacy are expanding usage occasions and basket sizes.

Aspiration-led Premiumisation
Consumers trade up for quality, efficacy and sensorial experience, with claims and transparency central to choice.

Digital and Quick Commerce as Growth Engines

Digital channels are the category's primary growth engine. Online BPC has expanded rapidly, its share of category spend rising over recent years, and is forecast to exceed one-third of total category sales by 2030. Availability across online platforms, general trade, modern retail and D2C is improving accessibility across geographies, while quick commerce has scaled from around 2% of online BPC demand in 2022 to roughly 18% in 2025 in terms of GMV, reshaping expectations around speed and convenience and establishing beauty as the second-largest quick commerce category after grocery. Social platforms such as YouTube and Instagram drive discovery and education, with a marked and sustained preference for regional-language content, and D2C models are gaining particular traction for considered, non-daily purchases.

>1/3
Online share of total BPC category sales by 2030

2nd largest
Beauty's rank among quick commerce categories, after grocery

Source: Redseer, 'Beauty & Personal Care in Quick Commerce' (2026)

Emerging Frontiers: Men's Personal Care, Oral Care and Actives

Category expansion is opening new frontiers. Men are moving well beyond basic hygiene into comprehensive personal care, adopting cleansers, moisturisers, serums and masks that target specific concerns such as acne, ageing and sun protection. Oral care is gaining salience, with demand for natural and organic toothpastes, mouthwashes and whitening solutions rising as consumers become better educated through digital channels. Across these frontiers, premiumisation and science-led expectations are accelerating innovation in multi-benefit skincare. Rising demand for ingredient-first, high-efficacy products is pushing R&D teams towards advanced formulation science and AI-enabled tools, allowing them to develop and launch products faster without compromising on efficacy.

A Consumer in Transition

The Indian BPC consumer has changed markedly across every dimension of the purchase journey, from who buys to what they value to how they discover and where they shop.

	Traditional Indian Market	Current Indian Market
Gender Roles	A sharp divide between men's and women's products: around 20% of men used fragrances and deodorants versus 7% of women, and 20% of women used cosmetics versus 7% of men.	The gap is narrowing, with adoption rising across categories and brands launching dedicated men's grooming ranges.
Product Preference	Demand centred on care, hair and skincare, with a marked preference for natural and organic formulations.	Premium brands are rising; the luxury share is expected to grow from ~11% to ~13% (2025–2029).
Information Sources	Awareness was dominated by TV, family and friends, with media communication largely in Hindi (54%) and English (16%).	Digital platforms lead. YouTube and Instagram influencers drive awareness, with a strong preference for regional-language content.
Shopping Channels	Purchases spread across malls (~40%) and local shops (~37%) alongside early online adoption.	A decisive shift to modern trade and online, with quick-commerce gaining traction.
Consumer Engagement	Limited pre-purchase interaction and minimal personalisation.	High engagement via AI skin diagnostics, virtual consultations and personalised recommendations – around 83% of consumers are willing to use such services.

Source: Y&S Analysis 2026

Outlook

The outlook for Indian BPC is compelling. The market is projected to reach around $40 Billion by 2030, elevating India to the fourth-largest BPC market globally — yet with per-capita spending still a fraction of mature markets, the category is early in its curve rather than approaching maturity. Growth from here will be led by depth as much as scale: consumers moving from single products to full regimens, trading up to higher-efficacy and premium formats, and spreading demand from skincare into suncare, haircare actives, colour and men's grooming. Gen Z and Gen Alpha, set to account for close to half of category spend by 2030, will keep pulling the market towards ingredient-first, dermatologist-backed and clinically-validated propositions, while quick commerce and AI-enabled personalisation reshape how beauty is discovered, compared and bought. The result is a market where winning depends less on being present and more on being superior — on product efficacy, sharp partition focus and speed of innovation. For agile, science-led and digitally fluent brands, the coming years offer a rare combination of scale, headroom and defensible differentiation.

Business Performance Review

FY 25-26 was the year we sharpened the business around the categories and partitions where we hold a clear right to win, brought our flagship brand back to growth, rebuilt our offline engine on a more direct and durable foundation, and scaled our fastest-growing brand in the actives space while strengthening its profitability. What emerged was not a single turning point but four connected stories, each following the same pattern: disciplined reinvention translating into visible resilience. Together they describe a company that has become more focused and better positioned for the decade ahead.

Focused Approach to Category Leadership

Hero-led Focus and Direct Reach Drive Mamaearth's Return to Growth

Restructured Offline Distribution to Power the Next Decade of Growth

The Derma Co: Compounding a Category Leader

Story 1

Focused Approach to Category Leadership

India's beauty and personal care market is vast and fragmented, more than a hundred distinct partitions spread across some twenty categories, each defined by a specific consumer concern, ingredient and price point. In FY 25-26, we made a decisive choice about where to compete, moving from broad participation towards the partitions where we hold a clear right to win. Rather than spreading investment thinly, we directed close to 90% of our brand investment towards seven focus categories: face cleansers, shampoos, sunscreens, moisturisers, face serums, baby care and lipsticks. The enabler was a partition-led way of operating: we distinguished clearly between partitions where we already lead, such as Face Cleanser × Glow and Shampoo × Hair Fall, and those where we are actively building share, such as Shampoo × Dandruff, letting us allocate resources with precision and measure progress where category battles are genuinely won. Anchored by hero products that consistently outperformed their parent brands, our focus categories grew around 30% over the year and now contribute close to 80% of revenue. For Honasa, focus is not a limitation but the discipline that turns finite resources into category leadership.

For more details, refer to the **Stories of the Year** section on **page 28**.

Story 2

Hero-led Focus and Direct Reach Drive Mamaearth's Return to Growth

Mamaearth, the first brand in our House of Brands, returned to growth in FY 25-26 after a period of transition, rebuilt on clearer foundations. The renewal rested on two deliberate choices. First, we concentrated the brand on hero products and focus categories: face cleansers, shampoos, sunscreens, moisturisers, lipsticks and baby care, rather than a broad range. Specific products consistently outgrew the brand overall: Rice Face Wash and Ubtan Face Wash in the glow partition, and Rosemary and Onion shampoo variants in the hair fall partition. Mamaearth Rice Face Wash joined Ubtan and Vitamin C in the ₹100 Crores net sales club. Second, we stabilised general trade distribution through a more direct, distributor-led model, steadying retail execution and improving channel availability. Consumer equity held firm through the transition, with e-commerce, quick commerce and modern trade continuing to grow as the engine beneath was rebuilt. The result was a return to teens growth and renewed value-share gains in core categories, reinforced by independent blind testing, where its gel face-cleanser and shampoo chassis scored well ahead of leading international brands. Mamaearth's recovery was one of our biggest wins for the year.

Consumer love strengthened across every metric tracked. On Kantar's offline brand tracker, Mamaearth posted strong YoY gains in Brand Power, taking it to its highest level in three years. This translated into market presence: NielsenIQ data showed a 6.5% value market share in face cleansers, with Share Among Handlers (SAH), its share within stocked outlets, at 10.6%, showing that consumers chose Mamaearth well ahead of its overall market presence wherever it reached the shelf. In shampoo, a 2.3% market share sat alongside a 4.5% SAH, reinforcing the same story.

For more details, refer to the **Stories of the Year** section on **page 30**.

Story 3

Restructured Offline Distribution to Power the Next Decade of Growth

Offline distribution is the muscle that will power our next decade of growth, and in FY 25-26 we stabilised it. The core change was structural: we moved our general trade network from a super-stockist-led model to a more direct, distributor-led one, so that direct distribution now contributes close to 80% of general trade billing, up from roughly a quarter two years earlier. This shift was enabled by tier-1 distributors with genuine reach, a sharper focus on secondary sales and coverage rather than primary billing alone, and a technology layer of distributor-management and sales-force-automation systems that brought real-time, SKU-level inventory visibility and AI-based guidance for the field force. The effect was a healthier, more transparent operation: distributor inventory settled to around 30 days, and our direct coverage through distributors expanded to ~1.2 Lakh outlets billed directly, taking total reach, direct and indirect combined, to more than 2.7 Lakhs FMCG outlets. General trade responded, returning to secondary-sales growth above 20% YoY. In modern trade, consistent brand strength and excellent execution drove very strong offtakes, growing by 25%+ YoY. Because these channels carry favourable economics, scaling them strengthened both the reach and the profitability of the overall business.

For more details, refer to the **Stories of the Year** section on **page 32**.

Story 4

The Derma Co: Compounding a Category Leader

The Derma Co was built on a conviction that Indian consumers were ready for skincare grounded in ingredients and evidence rather than promises, a belief that made it an early leader in active-led skincare. In FY 25-26, that leadership widened into genuine scale. Growth through the year was rapid and broad-based: alongside its founding strengths in sunscreen and serums, where it held its position as India's No. 1 sunscreen brand as per Euromonitor, the brand built a third ₹100 Crores-plus category in face cleansers and extended its active-led approach into haircare. The enablers were deliberate category and channel expansion, pushing beyond its online heartland with a measured offline rollout that reached a ₹100 Crores annual run rate offline, complementing its long-held online leadership. Crucially, this scale did not come at the cost of economics: the brand sustained a double-digit EBITDA profile even as revenue reached a ₹750 Crores-plus run rate, proving that rapid growth and disciplined profitability can advance together. The Derma Co is our focus thesis made real, a brand that chose its categories with conviction, scaled them quickly and broadly, and turned profitable while doing so.

For more details, refer to the **Stories of the Year** section on **page 34**.

Winning in Our Chosen Categories

Our seven focus categories: face cleansers, shampoos, sunscreens, moisturisers, face serums, baby care and lipsticks now contribute over 80% of our revenue, up around 500 basis points YoY. Within each, we operate at the level of partitions: distinct pockets of demand defined by a specific consumer concern such as Face Cleanser × Glow or Shampoo × Hair Fall. This focus-category × partition approach lets us concentrate our brands and hero products where we hold a genuine right to win so that in every category we carry a clear position today and a defined ambition for the years ahead.

For more details, refer to **Story 01** on **page 29**

Face Cleansers

Industry Size: **₹14,000–15,000 Crores**
Industry CAGR: **6–8%**

Face cleansers are among our strongest categories, where we hold a healthy online share and are building towards a top-three national position. NielsenIQ places our all-India urban value share at 6.5% and our share among handling outlets at 10.6% — the distance between the two measures the headroom that opens up as our distribution deepens. The category is anchored by Mamaearth's Ubtan Face Wash and Rice Face Wash in the glow partition, where Rice Face Wash crossed ₹120 crore during the year to become the clearest break-out product in our portfolio, while Tea Tree Face Wash gives us a position in oil control that we are still building. The Derma Co's 2% Sali-Cinamide Anti-Acne Face Wash leads in acne partition and has made face cleansers The Derma Co's third-largest category. The Kantar Brand Health Track ranked Mamaearth first online and third offline in face cleansers through the year. The category itself is premiumising steadily: the masstige segment has lifted its share of offline urban facewash value from around 24% to close to 39% over three years, turning a basic hygiene step into a considered skincare ritual.

Industry Estimates based on GMV

Sunscreens

Industry Size: **₹4,500–5,500 Crores**
Industry CAGR: **15%+**

Sunscreens are among our largest and fastest-growing categories, reflecting rising awareness of daily, preventive protection. We hold a leading online position, led by The Derma Co, whose 1% Hyaluronic Sunscreen Aqua Gel and its companion actives span gel-based textures suited to Indian conditions. During the year we widened the range across skin types, with dedicated variants for oily, dry and normal skin, so that a single proposition now serves distinct consumer needs. Aqualogica extended the category with an in vivo tested formulation carrying India's first Anti-Pollution Factor, and the year also marked our entry into men's skincare through Reginald Men, a brand strong in sunscreen-led grooming, timed to a segment at a clear inflection, with search interest in men's skincare roughly doubling over the past four years. Sun protection is moving from occasional use to daily essential: sun care accounts for just over 6% of Indian skincare against close to 11% in the United States and Korea.

Face Serums

Industry Size: **₹3,500–4,500 Crores**
Industry CAGR: **20%+**

Face serums are one of our fastest-growing categories. The category is predominantly online, where we lead, and we are focused on building national leadership from that base. The Derma Co leads with the 2% Kojic Acid Face Serum, while Dr Sheth's extends into prestige actives through formulations such as the Argireline & Copper Peptide B'Tox Serum. Offline, we are expanding the category through The Derma Co's best-selling serums, which travel well into premium beauty counters and chemist outlets. Serumisation is reshaping Indian skincare: serums account for around 7% of skincare here against 20% in Korea, with large headroom to grow as consumers move towards products that solve a specific problem.

Industry Estimates based on GMV

Moisturisers

Industry Size: **₹5,000–6,000 Crores**
Industry CAGR: **15%+**

Moisturisers are gaining relevance as routines shift towards lightweight, hydration-led formats. We have built a full portfolio across the category and are working towards a top-five national position, Mamaearth through the Rice Oil-free Face Moisturiser and Beetroot Hydraful Light Moisturising Cream; The Derma Co through the 5% Nia-Ceramide Daily Hydrating Moisturiser; and Aqualogica through the Illuminate+ Hydra Gel Moisturiser. The format shift is the opportunity: lightweight moisturisers are growing around three times faster than legacy creams, which were built for colder conditions, and gel and oil-free textures designed for Indian weather are where the category is expanding.

Shampoos

Industry Size: **₹10,000–13,000 Crores**
Industry CAGR: **4–6%**

Haircare holds an important place in the portfolio, driven by demand for problem-solution formulations and specialised hair wellness. We are building across the partitions that carry the most weight in the category, hair fall, where Mamaearth's Rosemary and Onion ranges already give us a position, and anti-dandruff, a large partition we are actively building. BBLUNT strengthens the premium end through its Intense Moisture and Hair Fall Control ranges, and The Derma Co extends its active-led approach with the Peptide-Stem Cell Hair Fall Control and Triple Actives Anti-Dandruff shampoos. In offline, NielsenIQ places our all-India urban value share at 2.3% and our share among handlers at 4.5%. The category is premiumising around targeted solutions.

Industry Estimates based on GMV

Lipsticks

Industry Size: **₹3,500–4,000 Crores**
Industry CAGR: **10%+**

Colour cosmetics carry healthy momentum with younger consumers, and we are steadily expanding our presence, led by Staze's Gloss Lock 2-in-1 Liquid Lipstick, India's first transfer-proof gloss, lightweight and long-wearing, and Mamaearth's Luxe Matte Long Stay Lipstick. The category is being reshaped by earlier adoption and more frequent use as more women enter the workforce; the online share is expected to account for half the category in future.

Baby Care

Industry Size: **₹2,000-2,500 Crores** (excluding diapers and wipes)
Industry CAGR: **7%+**

Baby care holds an important place within the Mamaearth portfolio, which enjoys strong brand equity and leadership in the online segment and aims to be among the top three players nationally. Building on its positioning around safe, gentle care, Mamaearth launched the Dermasoft Baby Range, developed under paediatric-dermatology guidance, alongside established bestsellers such as the Milky Soft Head to Toe Wash. Parents are increasingly selecting on ingredient transparency and dermatological validation rather than familiarity alone, which favours brands built on demonstrable safety.

Industry Estimates based on GMV

The Capabilities that Compound

Winning in these categories rests on a set of capabilities we have built deliberately over the years and, in FY 25-26, sharpened further: an omnichannel distribution engine now anchored on a more direct foundation, an innovation and R&D function turning consumer insight into differentiated formulations, and a marketing playbook that builds brands with precision. This year we doubled down on each, refining rather than rebuilding, to make these strengths compound into a durable advantage.

Omnichannel Distribution Network

Honasa Consumer Limited operates through an integrated omnichannel distribution framework, designed to ensure product availability across both digital and physical touchpoints. This approach supports consistent consumer engagement and improves brand accessibility across India. By balancing the extensive reach of online platforms with a structurally advanced offline network, the Company is positioned to capture demand across diverse purchase occasions.

98%

Pincodes serviced in FY26

Online Channels

The online distribution engine is a primary driver of new brand incubation and rapid category expansion. Our digital ecosystem, spanning brand-owned websites and leading e-commerce marketplaces, lets the Company reach over 98% of India's pin codes and contributes 68% of overall revenue. During the year, the e-commerce channel held its momentum, delivering teens growth. Having identified quick commerce as a high-velocity fulfilment channel early, Honasa has established a significant first-mover advantage. This channel now contributes approximately 10% of total revenue and is the Company's fastest-growing channel.

Offline Channels

Offline is the muscle that will power Honasa's next decade of growth, and FY 25-26 was the year it matured into a clear enabler for the business, with strong progress across every sub-channel. Our physical reach expanded to ~1.2 lakh outlets billed directly and a total reach of over 2,70,000 FMCG retail outlets, a 16%+ YoY increase in distribution penetration, with weighted distribution in the face cleanser and shampoo categories reaching around 50% as per NielsenIQ. General trade returned to secondary-sales growth of over 20%+, restoring momentum to the network. Modern trade presence grew to more than 10,000 stores, delivering offtake growth of over 25%. Complementing these, the Group operates 140+ Exclusive Brand Outlets (EBOs), which serve as immersive touchpoints that deepen brand equity and offer personalised consumer consultations.

Underpinning these achievements was a structural transition in general trade, a shift from a super-stockist-led model to a more direct, distributor-led one. Direct distribution now accounts for close to 80% of general trade billing, up from roughly a third two years earlier, with distributor inventory settling to around 30 days and easing working capital across the network. A technology layer of distributor-management and sales-force-automation systems brought real-time, SKU-level visibility and AI-based guidance for the field force. Because these channels carry favourable unit economics, scaling them on this steadier base lifted both the reach and the profitability of the overall business, turning one of our most demanding choices into a clear source of resilience.

1,20,000+

Direct outlets billed with

2,70,000+

Total FMCG outlet reach with +16% YoY growth

10,000+

Modern trade presence with +25% YoY growth

225+

Direct distributors in top-100 cities

68%

Contribution of the online channel in FY 25-26

Proprietary IP

APF ANTI POLLUTION FACTOR | Hydr8 NMF | Deep Penetration Formula™

Innovation and R&D

Innovation is how we win our chosen partitions. In FY 25-26 we held a clear bar, superiority, not parity, building formulations designed to beat leading global benchmarks in independent blind tests rather than merely match them. Development stayed tightly aligned to our focus categories and their partitions, concentrating novel actives and next-generation delivery systems where consumers feel the difference most. This edge is powered by our proprietary AI tools, FormulaOS, our formulation-intelligence engine, and Tesseract, our consumer-simulation engine, complemented by UCR and Prophet, which together turn a decade of consumer and formulation data into sharper decisions on what to build, and products engineered to perform better on the skin at a better cost. The result is a steady run of market-beating products, independently verified by agencies such as Twentify, across Categories.

For more details, refer to **Innovation Capability** section on **page 38**

6

Independent blind-test wins against leading global benchmarks in FY 25-26

Select Innovations

mamaearth

Beetroot Hydraful Light Moisturising Cream

Derma Soft Baby range

Lemon Anti-Dandruff Shampoo with Lemon & Aloe Vera

DR. SHETH'S

Argireline & Copper Peptide B'Tox Serum

Bakuchiol & PDRN Ampoule Serum

BBLUNT

Bond Repair shampoo

Relaunched Salon Secret High Shine Conditioning Hair Colour

THE derma co

DESIGNED BY DERMATOLOGISTS

Triple Active Anti-Dandruff Shampoo

Peptide-Stem Cell Hair Fall Control range

Aqualogica

Glow+ Dewy Gel Sunscreen

Illuminate+ Hydra Melt Gel Moisturizer

STAZE

Y.U.M.M.Y Lip Gloss Balm

Gloss Lock 2-in-1 Liquid Lipstick

Brand Building, Engagement and Marketing

We build brands that form deep, lasting connections with Indian consumers by aligning with their aspirations and needs. Our marketing framework prioritises long-term impact through data-driven precision, contextually relevant communication and an integrated omnichannel approach.

Aspirational and Personalised Communication

Our communication has moved towards more aspirational, enhancement-led messaging, tuned to engage Gen Z and Gen Alpha audiences.

Mamaearth — Shifted its narrative towards younger skincare consumers through campaigns such as 'Glow with Glass Skin', reinforcing benefit-led positioning. The brand holds the #1 position in Online Brand Equity for both face wash and shampoo, as per the Kantar Brand Health Track.

Aqualogica — Refreshed its communication and packaging, using youthful messaging to spotlight lightweight, hydration-first formulations.

The Derma Co. — Strengthened its science-first positioning through efficacy-driven communication, contributing to 1.4x growth in brand search activity year on year, and drew on high-profile associations such as its partnership with tennis icon Sania Mirza to link professional discipline with daily sun protection.

Media and Content Strategy

Our media strategy ensures that we sustain visibility across digital and physical touchpoints.

Data-led Targeting — Advanced media-mix modelling helps us identify emerging trends early and concentrate close to 90% of investment behind our seven focus categories, which grew ~30% YoY, ahead of the broader business.

In-house Content Engine — Our internal creative teams produce platform-specific, vernacular content tuned to regional preferences, publishing 7,000+ pieces a month.

Credible Influencer Ecosystem and Strategic Partnerships

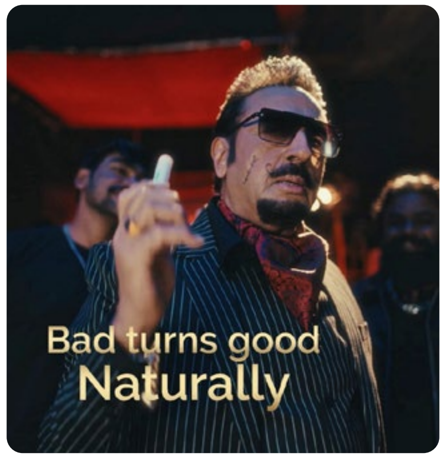
Influencer-led education remains central to how we build awareness and trust through peer-driven storytelling.

Scaling Collaborations — We executed approximately 4,000+ influencer collaborations during the year to build awareness and credibility.

Channel-specific Activations — Partnerships with platforms such as Zepto extended our reach into high-intent, convenience-led purchase moments.

mamaearth

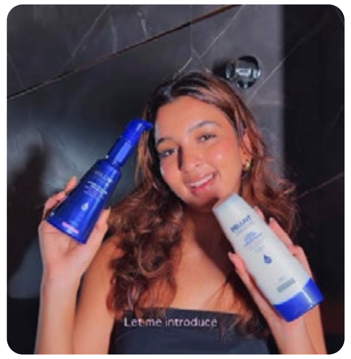
Rosemary Anti-Hair Fall Shampoo



Mamaearth Lip Balm

The derma co

BBLUNT



Aqualogica

DR. SHETH'S

Operational Overview

Supply Chain and Logistics

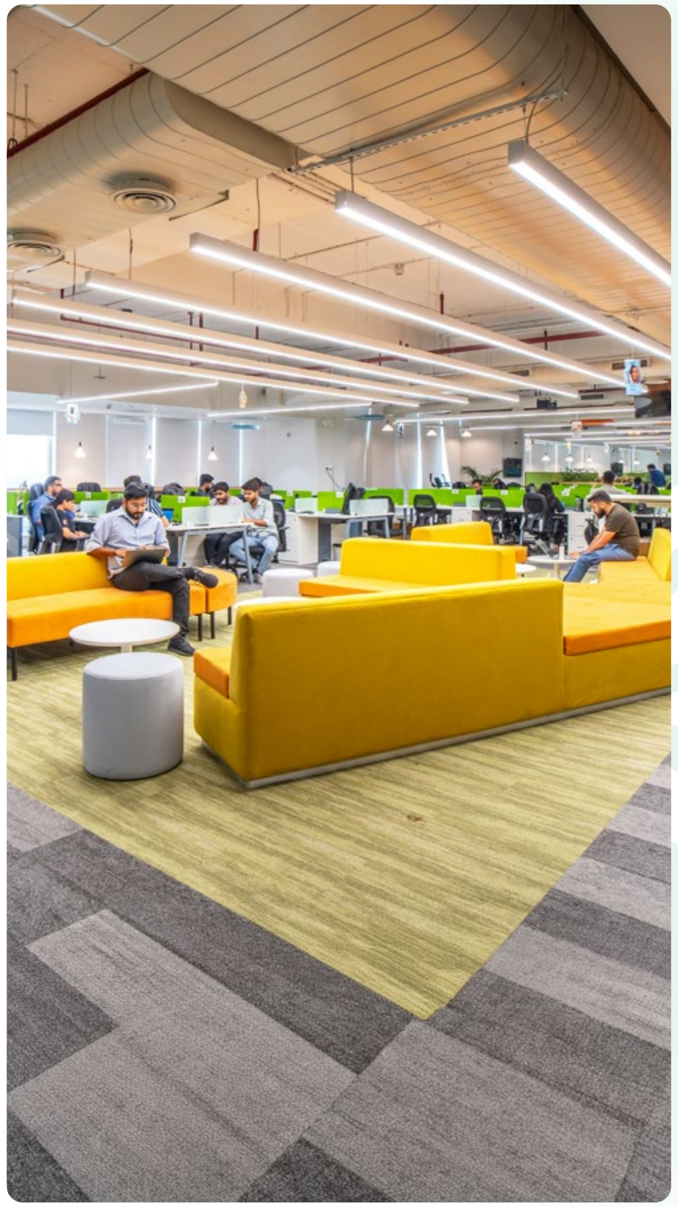
The Company's integrated supply chain remains central to its operational efficiency and growth. It operates across a multi-city network of 12 warehouses, both in-house and through strategic third-party partners, ensuring smooth fulfilment across consumers, distributors, modern trade, e-commerce and quick commerce platforms, and traditional retail nationwide. A central warehouse consolidates inventory and optimises dispatch, enhancing responsiveness across channels, while an integrated ERP and Order Management System streamline procurement and distribution and provide end-to-end inventory visibility. A major priority during FY 25-26 was stabilising the distribution backbone through direct distributor partnerships: by removing super-stockist layers from the General Trade model, the Company improved secondary-sales visibility and strengthened product availability across both urban and emerging markets. The supply chain also remained adaptive to shifting channel trends, with quick commerce now contributing about 10% of total revenue. To manage risks from global sourcing and input-cost volatility arising from Middle East tensions, the Company deepened its focus on local sourcing and supply-chain agility. Underpinning these efforts, advanced data science and machine-learning models continued to refine demand forecasting and replenishment, enabling the Company to adapt quickly to market changes and to meet evolving retail demands through its omni-channel distribution capability.

Technology

Technology is a foundation of the growth strategy, helping the Company use data to make business decisions and connect with consumers. In FY 25-26, the Company focused on using analytical tools to improve marketing and operations. The digital infrastructure connects R&D, supply chain and the consumer purchase journey. Key initiatives include using data science to identify new beauty trends, such as the rising demand for men's skincare. The Company also uses consumer tools such as AI-based skin diagnostics and virtual consultations to improve engagement, with 83% of consumers willing to use such services. In addition, Distributor Management Systems (DMS) and Sales Force Automation (SFA) let the business track general trade performance and distributor productivity in real time.

People and Culture

People are the engine behind the reinvention the Company drives. A team of over 3,400 brings together capabilities across brand-building, innovation, distribution and technology, working on a shared set of values, a builder's mindset, consumer obsession, and a bias for speed and ownership. Through FY 25-26, the focus was on deepening capability rather than adding headcount: sharper role clarity, stronger leadership benches and structured learning to keep skills current in a fast-moving category. Diversity and internal mobility are central to how the Company builds its teams, supported by a young, entrepreneurial culture that gives people the room to take decisions and the accountability to see them through. This combination of seasoned leadership and first-principles thinking is what allows a House of Brands to move quickly while staying disciplined.



Governance

Honasa is built on ethical governance, with a seasoned Board of Directors and transparent oversight. Sound governance is essential to maintaining stakeholder confidence and supporting expansion. The Board has six members, 50% of them independent, ensuring balanced decision-making. Dedicated committees oversee key functions, such as the Audit Committee, which reviews financial reporting and internal controls every quarter. The Risk Management Committee tracks the risk framework and evaluates macroeconomic and industry risks. The Company works with a Big Four firm for statutory audits to maintain financial integrity.

Risk Management

Honasa uses a risk-management framework to identify and manage threats to business objectives. Middle East conflicts have driven volatility in energy prices and logistics, and the Company manages this geopolitical and supply chain risk through sourcing diversification. The BPC sector is highly competitive, and the Company addresses this by focusing 90% of its investment on core categories. The Company also takes a disciplined approach to legal risks. A significant legal matter in the UAE was resolved in February 2026, with a previous award reduced from approximately AED 25 Million to AED 1.7 million.

ESG: Beauty with Purpose

Sustainability and social responsibility are part of our core values, guiding product development and community support. The Company is plastic-positive, recycling more plastic than it uses, with over 14,700 tonnes recycled so far. On its ninth anniversary, Mamaearth launched the 'Goodness in the Air' initiative to address air pollution in the Delhi-NCR region, deploying anti-smog guns across the area to help reduce particulate matter and improve air quality for residents. The initiative extends the brand's broader purpose-led philosophy and complements its ongoing 'Plant Goodness' programme. While the smog guns provided immediate intervention during peak pollution periods, the brand keeps its focus on long-term environmental health, having facilitated the plantation of over 11,00,000 trees to date. Across the brands, the Company drives social impact. The Derma Co's Young Scientists initiative provided practical science education to over 48,000 students. BBLUNT's 'Shine Academy' has certified more than 18,000 women in hair styling to help them achieve financial independence. Aqualogica's 'Fresh Water for All' campaign helped 1,500 rural households gain access to clean drinking water, while Dr Sheth's 'Healthy India' has completed over 48,500 health check-ups for underserved communities.

Financial Overview

FY 25-26 was a year of profitable growth, with the reinvention across brands and channels translating into stronger financial outcomes. Revenue from operations grew 19.9% to ₹2,4785 Million on a like-for-like basis[1], led by the return to growth at Mamaearth, the scaling of The Derma Co. to a ₹7,500 Million-plus annual revenue run rate, and the shift towards focus categories and hero products. Gross profit rose to ₹1,7641 Million, with gross margin of 71.2% on a like-for-like basis, aided by premiumisation and a favourable portfolio mix. Operating leverage was the clearest signal of the turnaround: EBITDA increased over 237% to ₹2312 Million, while profit after tax rose over 175% to ₹2002 Million, taking the net margin to 8.1%. The Company generated ₹1,340 Million of cash from the business and continued to operate on a negative working-capital cycle.

Internal Controls and Their Adequacy

Honasa maintains an internal control framework commensurate with the size, scale and nature of its operations, designed to safeguard assets, prevent and detect fraud and error, ensure the accuracy and completeness of accounting records, and support the timely preparation of reliable financial information. Financial and operational processes run on an integrated ERP and Order Management System, complemented by Distributor Management and Sales Force Automation systems that give real-time, SKU-level visibility across the distribution network. Internal financial controls over financial reporting are documented, periodically tested and reviewed for design and operating effectiveness. The Audit Committee reviews the financial reporting process, the adequacy of internal controls and the findings of the auditors each quarter, and statutory audits are conducted by a Big Four firm. Based on these reviews, the Board considers the Company's internal controls adequate and operating effectively for the year under review.

Cautionary Statement

This report contains forward-looking statements on the Company's objectives, projections, estimates and expectations. These statements are based on assumptions and information currently available to management and are subject to risks and uncertainties, including economic and geopolitical conditions, commodity and energy prices, demand patterns, competitive dynamics, and regulatory and tax developments that could cause actual results to differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on these statements. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

[1] Revenue from operations is presented on a like-for-like (LFL) basis, adjusted for a change in the settlement mechanism of the Flipkart group, which had an impact of ₹870 Million in FY26. Consolidated revenue includes BTM Ventures Limited (Reginald Men), consolidated only for Q4 FY26. All margin percentages are computed on LFL revenue for FY 25-26.

Board's Report

Dear Members,

The board of directors ("Board") has immense pleasure in presenting the Board's report on the business and operations of Honasa Consumer Limited ("Honasa" or "Company") together with the audited financial statements for the financial year ended 31st March 2026.

Financial Performance - An Overview

Key highlights of the financial performance of the Company for the financial year 2025-26 ("FY 2025-26") are provided below:

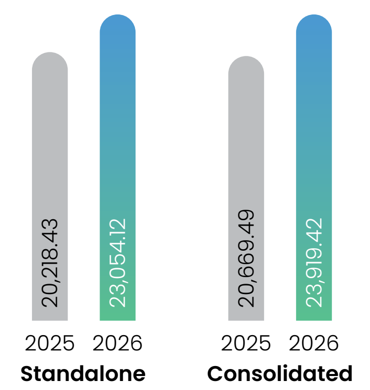
₹ in millions

Particulars	Standalone		Consolidated	
	2025-26	2024-25*	2025-26	2024-25*
Revenue from Operations	23,054.12	20,218.43	23,919.42	20,669.49
Other Income	806.63	774.40	835.84	787.34
Total Income	**23,860.75**	**20,992.83**	**24,755.26**	**21,456.83**
Expenditure other than Depreciation and Finance cost	20,963.64	19,683.52	21,607.24	19,984.15
Finance Cost	105.26	105.39	131.38	126.49
Depreciation and Amortisation Expenses	344.76	355.25	444.02	450.06
Total Expenditure	**21,413.66**	**20,144.16**	**22,182.64**	**20,560.70**
Profit Before Tax (PBT)	**2,447.09**	**848.67**	**2,572.62**	**896.13**
Total Tax Expense	538.82	158.97	570.72	169.26
Profit for the year (PAT)	**1,908.27**	**689.70**	**2,001.90**	**726.87**
Other Comprehensive (Loss)/Income (net of tax)	**36.88**	**(0.20)**	**38.37**	**(0.18)**
Total Comprehensive (Loss)/Income for the year (net of tax)	**1,945.15**	**689.50**	**2,040.27**	**726.69**
Attributable to:				
- Equity holders of the parent	-	-	2,037.82	726.69
- Non-controlling interests	-	-	2.45	-
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**2,090.48**	**534.91**	**2,312.18**	**685.35**

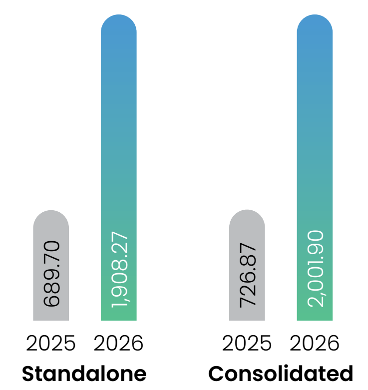
Notes: Figures in brackets represent deductions.

**Figures for FY 2024-25 have been restated to give effect to the merger of two wholly owned subsidiaries with the Company, namely Fusion Cosmeceutics Private Limited and Just4Kids Services Private Limited, effective from July 24, 2025 with appointed date as May 1, 2023.*

Revenue from Operations (↑)



Profit for the year (PAT) (↑)



Standalone Performance

The Company delivered robust financial performance in FY 2025-26 with standalone revenue from operations of ₹23,054.12 million, reflecting a growth of 14.0% over the financial year 2024-25 ("FY 2024-25").

Standalone EBITDA stood at ₹2,090.48 million, reflecting an EBITDA margin of 9.1%, an improvement of 642 bps year-on-year (FY 2024-25: EBITDA of ₹534.91 million, margin of 2.6%), driven by operating leverage, cost optimisation and improved brand contribution margins. Total expenditure grew at 6.3% year-on-year, significantly below revenue growth of 14.0%, underscoring the Company's improving operating efficiency and its transition to a profitable-growth operating model.

Profit before tax grew by 188.3% to ₹2,447.09 million (FY 2024-25: ₹848.67 million). Net profit after tax grew by 176.7% to ₹1,908.27 million (FY 2024-25: ₹689.70 million), marking a significant inflection in the Company's profitability trajectory. PAT margin expanded to 8.3% from 3.4% in the previous year, an expansion of 487 bps.

Consolidated Performance

On a consolidated basis, the Company reported revenue from operations of ₹23,919.42 million in FY 2025-26, reflecting a growth of 15.7% over FY 2024-25. Consolidated EBITDA grew by 237.4% to ₹2,312.18 million (FY 2024-25: ₹685.35 million), with consolidated EBITDA margin expanding to 9.7% from 3.3%, an improvement of 635 bps. The margin expansion was driven by operating leverage across the brand portfolio, disciplined cost management and favourable product mix.

Consolidated profit after tax grew by 175.4% to ₹2,001.90 million (FY 2024-25: ₹726.87 million). Of the total consolidated PAT, ₹2,037.82 million of total comprehensive income is attributable to equity holders of the parent and ₹2.45 million to non-controlling interests. PAT margin expanded to 8.4% from 3.5%, an improvement of 485 bps.

Standalone and Consolidated Financial Statements

The Audited Financial Statements of the Company are drawn up, both on standalone and consolidated basis, for the FY 2025-26, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("Act"). The Consolidated Financial Statements have been prepared based on the financial statements received from subsidiaries, as approved by their respective Boards.

Review of Operations

FY 2025-26 was a year of profitable growth, with the reinvention across brands and channels translating into stronger financial outcomes. Revenue from operations grew 19.9% to ₹24,785 million on a like-for-like basis, led by the return to growth at Mamaearth, the scaling of The Derma Co. to a ₹7,500 million-plus annual revenue run rate, and the shift towards focus categories and hero products. Gross profit rose to ₹17,641 million, with gross margin of 71.2% on a like-for-like basis, aided by premiumisation and a favourable portfolio mix. Operating leverage was the clearest signal of the turnaround: EBITDA increased over 237% to ₹2,312 million, while profit after tax rose over 175% to ₹2,002 million, taking the net margin to 8.1%. The Company generated ₹1,340 million of cash from the business and continued to operate on a negative working-capital cycle, reflecting the discipline built into its distribution and inventory model

Revenue from operations is presented on a like-for-like (LFL) basis, adjusted for a change in the settlement mechanism of the Flipkart group, which had an impact of ₹870 million in FY 2025-26. Consolidated revenue includes BTM Ventures Limited (Reginald Men), consolidated only for Q4 FY 2025-26. All margin percentages are computed on LFL revenue for FY 2025-26.

The Management Discussion and Analysis section of this Annual Report provides a more detailed review of brand-wise performance, channel strategy, competitive positioning, international operations and the Company's outlook.

Dividend

The Board has recommended maiden final dividend of ₹3.00 (Rupees Three only) per equity share of face value ₹10/- each for FY 2025-26, in accordance with the Dividend Distribution Policy of the Company, subject to the approval of members at the ensuing 10th Annual General Meeting ("AGM"). The total cash outflow for dividend payout will be approximately ₹978.07 million, representing a dividend payout ratio of approximately 51.2% of standalone net profit after tax for FY 2025-26. This represents the Company's maiden dividend since its listing on the BSE Limited and the National Stock Exchange of India Limited in November 2023, signalling the Board's confidence in the Company's improved profitability trajectory, cash generation capacity and the sustainability of earnings.

The dividend, if approved at the AGM, will be paid to those members whose names appear in the Register of Members/Register of Beneficial Owners as on Friday, August 28, 2026, being the record date fixed for this purpose, subject to deduction of tax at source at applicable rates.

The Dividend Distribution Policy has been duly framed by the Company in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Board approved amendments in the Dividend Distribution Policy on August 13, 2026, *inter-alia*, introducing an indicative dividend payout ratio of 25%–75% to provide a structured framework for dividend distribution and enhance transparency in the Company's dividend payout approach. The updated Dividend Distribution Policy is available on the Company's website at https://honasa.in/cdn/shop/files/Dividend_Distribution_Policy.pdf.

Key Developments

During FY 2025-26, the Company executed several strategic transactions aligned with its stated vision of building a 'House of Brands' across beauty, personal care and wellness categories. The Company's inorganic strategy is anchored in identifying high-growth, category-defining brands with strong founder DNA, demonstrated product-market fit and the potential to scale leveraging Honasa's digital distribution capabilities, brand-building expertise and operational infrastructure:

Acquisitions

BTM Ventures Private Limited (Reginald Men)

The Board, at its meeting held on December 11, 2025, approved the acquisition of a 95% equity stake in BTM Ventures Private Limited ("BVPL"), the parent company of the men's personal care brand 'Reginald Men', through a secondary purchase of equity shares.

The acquisition was completed on January 6, 2026 and BVPL became a subsidiary of the Company with effect from that date. The Company will acquire the remaining 5% equity stake via secondary purchase upon completion of 12 months from the closing date, in accordance with pre-agreed valuation criteria set out in the Share Purchase and Shareholders' Agreement.

Reginald Men, founded in August 2022, offers a curated range of premium men's personal care products with a strong focus on sunscreens and serums — categories that are core focus areas for the Company. In the twelve-month period from November 2024 to October 2025, the brand recorded revenue exceeding ₹700 million with approximately 25% EBITDA margins, demonstrating strong product-market fit and operational discipline within a short operating history.

This acquisition marks the Company's strategic entry into the men's personal care category, which is one of the fastest-growing segments within India's beauty and personal care market.

The acquisition provides the Company with: (a) immediate presence in the high-growth men's grooming segment, complementing its existing portfolio of women-focused and unisex brands; (b) strengthened geographic footprint in Southern India, where Reginald Men derives a significant portion of its revenue, thereby diversifying the Company's regional revenue mix; (c) deeper category penetration in sunscreens and serums, which are among the Company's strategic focus categories across brands; and (d) a founder-led brand with demonstrated ability to build consumer loyalty and operational profitability at an early stage. From the acquisition date (January 6, 2026) to 31st March 2026, BVPL contributed revenue from operations of ₹370.90 million and net profit of ₹49.03 million to the consolidated results of the Group.

Couch Commerce Private Limited (Fang Oral Care)

The Board, at its meeting held on November 12, 2025, approved the acquisition of 25% stake in Couch Commerce Private Limited ("CCPL") by way of subscription to Compulsory Convertible Preference Shares ("CCPS"). The acquisition was completed on December 15, 2025.

CCPL operates the prestige oral care brand 'Fang Oral', which focuses on teeth whitening and everyday oral wellness. The brand targets premium consumers seeking advanced and effective oral care solutions and primarily markets and sells toothpaste and teeth whitening products through digital-first channels.

This investment is a strategic entry into India's oral care segment. The investment reflects the Company's strategy of expanding its addressable market through early-stage investments in sizeable and high-growth adjacent categories, while leveraging its digital distribution, brand-building and performance marketing capabilities to help portfolio brands scale.

The Company will continue to evaluate CCPL's growth trajectory and assess options for deepening its participation in the brand over time.

Amalgamation

During FY 2025-26, amalgamation (merger) of Fusion Cosmeceutics Private Limited and Just4Kids Services Private Limited with the Company has been completed, pursuant to the order of the Hon'ble National Company Law Tribunal ('NCLT'), Chandigarh Bench, dated May 8, 2025 and the order of the Hon'ble NCLT, New Delhi Bench, dated June 3, 2025. The Company received the certified copy of the order from the Hon'ble NCLT, New Delhi Bench on June 25, 2025 and filed the said order in Form INC-28 with the concerned Registrar of Companies on July 24, 2025. Consequently, the Scheme became effective from July 24, 2025, with the appointed date as May 1, 2023.

Post FY 2025-26 Developments

Incorporation of Honasa Health Private Limited

The Board, at its meeting held on June 23, 2026, approved the incorporation of a wholly owned subsidiary, Honasa Health Private Limited ("Honasa Health"), to undertake business-to-consumer ('B2C') operations in the nutraceuticals category. Honasa Health was incorporated on July 7, 2026 as per the Certificate of Incorporation issued by the Ministry of Corporate Affairs, with an initial paid-up capital of ₹1,00,000 (10,000 equity shares of ₹10 each).

The incorporation of Honasa Health is a strategic initiative to build a dedicated consumer-facing nutraceuticals franchise, separate from the Company's beauty and personal care operations. This reflects the Company's recognition of the rapidly growing consumer demand for 'inside-out' beauty and wellness solutions, where nutritional supplements complement topical skincare and haircare treatments. India's nutraceuticals market is estimated at over ₹16,000 crores and is experiencing accelerated growth driven by rising consumer awareness of nutritional deficiencies, preventive health and holistic wellness.

Share Capital

Authorised Share Capital

During FY 2025-26, the Authorised Share Capital of the Company has been increased from ₹ 3,40,03,51,400/- to ₹ 3,42,27,61,400/- pursuant to the amalgamation of Fusion Cosmeceutics Private Limited and Just4Kids Services Private Limited with the Company, as approved by the Hon'ble National Company Law Tribunal.

Issued, Subscribed and Paid-Up Share Capital

The issued, subscribed and paid-up share capital of the Company as on 31st March 2026 was ₹325,36,97,940/- divided into 32,53,69,794 equity shares of ₹ 10/- each. Details of equity shares allotted by the Company during FY 2025-26 are given hereunder:

Date	Brief Details	Equity Shares allotted
September 9, 2025	Issuance against exercise of options granted under Honasa Consumer Limited Employees Stock Option Plan – 2018 (ESOP 2018) and Honasa Consumer Limited Employees Stock Option Plan - 2021 (ESOP 2021)	1,86,184

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

Employee Stock Option Plan

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

a) Honasa Consumer Limited Employee Stock Option Plan 2018 ("ESOP 2018")

b) Honasa Consumer Limited Employee Stock Option Plan 2021 ("ESOP 2021")

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

The Nomination and Remuneration Committee ("NRC") is entrusted with the responsibility of administering the ESOP 2018 and ESOP 2021. The Equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited effective from November 7, 2023. Post IPO of its equity shares, as per requirement of Regulation 12(1) of the SEBI SBEB Regulations 2021, ESOP Schemes were ratified by the members of the Company by way of postal ballot on January 28, 2024 and subsequently modified by the Company by way of postal ballot on June 2, 2024 and have also taken in-principle approval from BSE Limited and National Stock Exchange of India Limited on July 23, 2024 and July 25, 2024, respectively.

A statement containing relevant disclosures for ESOP 2018 and ESOP 2021 pursuant to rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and regulation 14 of the SEBI SBEB Regulations, 2021 is available on the website of the Company at https://honasa.in/pages/investor.

Subsidiaries, Joint Ventures & Associate Companies

As of 31st March 2026, the Company has 5 (five) subsidiaries and 1 (one) associate company. The Board regularly reviews the affairs, financial performance and strategic direction of each subsidiary to ensure alignment with the Company's overall business objectives and governance standards. Pursuant to the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure-I** to this report.

Subsidiaries including Step Down Subsidiaries

(i) Bhabani Blunt Hair Dressing Private Limited

Bhabani Blunt Hair Dressing Private Limited ("BBlunt") is a wholly owned subsidiary of the Company. BBlunt is engaged in the business of professional hair care and styling, offering a range of salon-grade products including shampoos, conditioners, hair serums, hair colour, heat protection mists and hair sprays. The brand seeks to replicate a salon-like experience for consumers at home and is positioned as a professional hair care brand within the Company's multi-brand portfolio.

During FY 2025-26, BBlunt reported revenue from operations of ₹243.95 million and a net profit of ₹2.30 million (FY 2024-25: revenue of ₹240.02 million and net Profit of ₹20.16 million). As of 31st March 2026, BBlunt's total assets stood at ₹559.82 million with reserves and surplus of ₹358.35 million.

(ii) B:Blunt-Spratt Hairdressing Private Limited

B:Blunt-Spratt Hairdressing Private Limited ("B:Blunt-Spratt") is a wholly owned subsidiary of BBlunt and accordingly a step-down subsidiary of the Company. B:Blunt-Spratt operates the BBlunt salon chain and is engaged in providing professional hairdressing services, beauty parlour services and specialised training and education in hair cutting and styling.

During FY 2025-26, B:Blunt-Spratt reported revenue from operations of ₹287.56 million and a net profit of ₹40.60 million (FY 2024-25: revenue of ₹239.95 million and net profit of ₹27.62 million). As of 31st March 2026, B:Blunt-Spratt's total assets stood at ₹400.80 million with reserves and surplus of ₹222.36 million. The salon services business has demonstrated consistent profitability and positive operating leverage as footfall and service revenue have scaled.

(iii) BTM Ventures Private Limited

BTM Ventures Private Limited ("BVPL"), the parent company of the men's personal care brand 'Reginald Men', became a subsidiary of the Company on January 6, 2026 upon completion of the acquisition of a 95% equity stake. Founded in August 2022, Reginald Men offers a curated range of premium men's personal care products with a strong focus on sunscreens and serums categories that are among the Company's strategic focus areas across brands. This acquisition marks the Company's entry into the men's personal care category and strengthens its geographic footprint in Southern India, where Reginald Men derives a significant portion of its revenue.

From the acquisition date (January 6, 2026) to March 31, 2026, BVPL contributed revenue from operations of ₹370.90 million and net profit of ₹49.03 million to the consolidated results of the Group. As of 31st March 2026, BVPL's total assets stood at ₹378.82 million with reserves and surplus of ₹143.86 million. In its first quarter of consolidation (Q4 FY 2025-26), Reginald Men crossed an annualised revenue run-rate of over ₹1,000 million, with revenue doubling year-on-year, demonstrating strong post-acquisition momentum and successful integration with the Company's operational infrastructure.

(iv) Honasa Consumer General Trading LLC., Dubai

Honasa Consumer General Trading LLC ("Honasa General Trading") is engaged in the business of trading of beauty and personal care products, cosmetics products, hair care products and, which includes carrying on all activities as are related or ancillary thereto. During FY 2025-26, Honasa General Trading has reported income from contracts with customers of AED 26,55,221 and a profit of AED 1,18,356.

(v) PT Honasa Consumer Indonesia

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

Associate Company

(i) Couch Commerce Private Limited

Couch Commerce Private Limited ("CCPL") became an associate company of the Company on December 15, 2025, following the acquisition of a 25% equity stake for a total consideration of ₹99.98 million through subscription to CCPS.

CCPL operates the oral care brand 'Fang Oral', which focuses on teeth whitening and everyday oral wellness and primarily markets and sells toothpaste and teeth whitening products through digital-first channels. This investment represents the Company's strategic entry into the oral care category, aimed at expanding its addressable market through early-stage investments in sizeable and high-growth adjacent categories.

For the period from the acquisition date (December 15, 2025) to 31st March 2026, CCPL reported revenue from operations of ₹33.14 million and a net loss of ₹5.65 million. For the purpose of Indian Accounting Standards ("Ind AS"), CCPL is considered as a Joint Venture Company. Accordingly, the Company recognised its share of loss amounting to ₹1.41 million, representing 25% of CCPL's net loss for the relevant period, in accordance with Ind AS 28 (Investments in Associates and Joint Ventures).

In accordance with the provisions of Section 136 of the Act and the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of the Company's subsidiaries have been placed on the website of the Company at https://honasa.in/investor/ and are available for inspection at the Company's registered office or through electronic mode. Further, the same will also be available electronically for inspection by the members during the 10th Annual General Meeting ("AGM") and physical copies of the same will also be made available to the members upon request.

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

During FY 2025-26, there were no material subsidiaries of the Company.

Management Discussion and Analysis Report

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

Internal Financial Control Systems and their Adequacy

The Company has established an adequate system of internal financial controls commensurate with the nature, size and complexity of its business. These controls are designed to provide reasonable assurance regarding the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of fraud and errors, accuracy and completeness of accounting records, reliability of financial reporting and compliance with applicable laws and regulations.

The Company's internal financial control framework is aligned with the principles of the COSO Internal Control Framework and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). The framework includes entity-level controls, process-level controls across key business functions and information technology general and application controls. The effectiveness of these controls is periodically evaluated through the internal audit function and the observations and status of corrective actions are reviewed by the Audit Committee on a regular basis. During the year under review, the Internal Auditors conducted independent testing of the financial reporting and operational controls across key business processes and confirmed the operating effectiveness of the Company's internal financial controls.

Based on the assessment carried out during the year, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements are adequate and were operating effectively as at 31st March 2026. Both Internal Auditors and the Statutory Auditors have evaluated and confirmed the operating effectiveness of the internal financial control framework, with the Statutory Auditors expressing an unmodified opinion on their adequacy and operating effectiveness.

Auditors

Statutory Auditors and Statutory Auditor's Report

Auditor Competence and Experience

The Board, at its meeting held on May 23, 2024, based on the recommendation of the Audit Committee, proposed the re-appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company for a second consecutive term of five (5) years, commencing from the conclusion of the 8th AGM until the conclusion of the 13th AGM to be held in the year 2029. The re-appointment was approved by the Members at the 8th AGM held on August 29, 2024.

S. R. Batliboi & Associates LLP ("the Firm/SRB"), a limited liability partnership firm incorporated in India, in 1949 with its registered office in Kolkata and has offices across key cities in India. The firm is registered with the ICAI (ICAI Firm Registration No. 101049W/E300004). The SRB & Affiliates network of firms includes - S.R. Batliboi & Co LLP, S.R. Batliboi & Associates LLP, S R B C & CO LLP, S.V. Ghatalia & Associates LLP. All the network firms including the Firm are primarily engaged in providing audit and assurance services to its clients. SRB along-with its network firms audit several large listed and private companies across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

The Firm holds a valid Peer Review Certificate issued by the Peer Review Board of the ICAI. The Firm has confirmed that it satisfies the criteria provided under Section 141 of the Act and that its continued appointment is in accordance with the applicable provisions of the Act and the rules framed thereunder.

SRB has confirmed that it satisfies the independence criteria required under the Act and the code of ethics issued by the ICAI.

The Audit Committee, at the time of recommending the re-appointment of the Firm, evaluated its credentials including its profile and sectoral expertise in consumer and digital commerce businesses, audit quality track record, technical capabilities, depth of the audit team relative to the Company's operations and independence credentials. The Committee satisfied itself that the qualifications and experience of the firm are commensurate with the size, complexity and scale of the Company's operations.

The Board, in its meeting held on August 13, 2026 has formulated a Policy on Independence of Statutory Auditors to safeguard the independence, objectivity, and effectiveness of the Company's Statutory Auditors in accordance with the Act and the SEBI Listing Regulations. The Policy lays down the criteria for appointment and re-appointment of auditors, prescribes restrictions on prohibited non-audit services and establishes an approval framework for permissible non-audit engagements. It also provides for auditor rotation, annual independence confirmations and reporting to the Audit Committee, thereby strengthening governance, audit quality and stakeholder confidence in the Company's financial reporting process.

Evaluation of Auditor Independence

The Audit Committee periodically reviews and monitors the independence of the Statutory Auditors through the following mechanisms:

1. Quarterly affirmations from the Statutory Auditors confirming their continued independence from the Company and its management and their compliance with the ICAI Code of Ethics and the ethical requirements under the Act;
2. Review of all non-audit services, if any, proposed to be rendered by the Statutory Auditors or their network firms to the Company or its subsidiaries, to ensure that such services do not impair auditor independence or objectivity, or create a conflict of interest;
3. Periodic discussions with the engagement partner on relationships and matters that may reasonably be thought to bear on auditor independence, including any changes in the audit team, rotation of the engagement partner, and the safeguards applied.

Auditor's Report

Auditor's Report on the standalone and consolidated financial statements of the Company for FY 2025-26 forms part of the Annual Report. The auditor's report is unmodified and does not contain any observation, qualification, reservation or adverse remark. During FY 2025-26, SRB has not reported any fraud committed against the Company by its officers or employees, as required to be reported in terms of section 143(12) of the Act read with rules made thereunder.

Secretarial Audit and Secretarial Auditor's Report

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

The Secretarial Audit Report for FY 2025-26, as submitted by the Secretarial Auditor in Form MR-3, is annexed to this Report as **Annexure - II**. There are no observations (including any qualification, reservation, adverse remark or disclaimer) in the Secretarial Audit Report for FY 2025-26.

Further, pursuant to provisions of regulation 24A of SEBI Listing Regulations read with Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Members of the Company in the 9th AGM held in year 2025 approved appointment of Arora Shekhar & Company, Practicing Company Secretaries (Certificate of Practice Number: 14145, Firm Registration Number: S2015DE540700 and Peer reviewed certificate Number: 3159/2023) as Secretarial Auditor of the Company to undertake the Secretarial Audit for a term of 5 (five) consecutive financial years from FY 2025-26 till FY 2029-30. Arora Shekhar & Company, Practicing Company Secretary, has confirmed that he is not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of the Company.

During FY 2025-26, Secretarial Auditors have not reported any fraud committed against the Company by its officers or employees, as required to be reported in terms of section 143(12) of the Act read with rules made there under.

The Company has submitted the Secretarial Compliance Report with stock exchanges in compliance with Regulation 24A of the SEBI Listing Regulations on May 4, 2026 and the same can be accessed on the website of the Company at https://honasa.in/cdn/shop/files/Annual_Secretarial_Compliance_Report_March_2026.pdf

Internal Auditor

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

BDO India Limited Liability Partnership (Now 'BDO India Services Private Limited') was appointed as the Internal Auditors of the Company for the FY 2025-26 and the report given by the Internal Auditors has been reviewed by the Audit Committee from time to time.

The Board, based on the recommendation of Audit Committee, at its meeting held on May 21, 2026 has appointed BDO India Services Private Limited as the Internal Auditors of the Company for the financial year 2026-27.

Cost Auditor

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

Directors & Key Managerial Personnel

Directors

As on 31st March 2026, the Board has 6 (six) Directors comprising 2 (two) Executive Directors, 1 (One) Non-Executive Non Independent Director and 3 (three) Independent Directors including 1 (one) Independent Woman Director.

In the opinion of the Board, all the directors, including the directors re-appointed during FY 2025-26, possess the requisite qualifications, experience, expertise, proficiency and hold high standards of integrity. Brief resume, nature of expertise, disclosure of relationship between directors, inter se, details of directorships and committee memberships held in other companies of the directors proposed to be appointed/re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard - 2 and regulation 36 of the SEBI Listing Regulations, forms part of notice of the forthcoming 10th AGM.

During FY 2025-26, no director has resigned from the Company.

Appointment/Re-appointment

The Board, based on the recommendation of NRC, at its meeting held on July 17, 2025, approved the Re-appointment of Mr. Vivek Gambhir as 'Independent Director' of the Company for a second term of five (5) years effective from March 24, 2026 to March 23, 2031 (both days inclusive).

Subsequently, the members of the Company at the 9th AGM held on September 25, 2025 approved the aforesaid matter by way of passing Special Resolution.

Re-appointment (Post FY 2025-26)

The Board at its meeting held on May 21, 2026, based on the recommendation of NRC and the positive outcome of performance evaluation and contributions during the first term as an Independent Director, approved the re appointment of Mr. Subramaniam Somasundaram as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from February 11, 2027 to February 10, 2032 (both days inclusive), subject to the approval of members at the forthcoming 10th AGM of the Company.

Director liable to retire by rotation

In terms of the provisions of the Act, Mr. Varun Alagh, Whole Time Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. Necessary resolution for the re-appointment of Mr. Varun Alagh forms part of the Notice convening 10th AGM.

Key Managerial Personnel

In accordance with the provisions of sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel ("KMP") of the Company as on 31st March 2026:

i. **Mr. Varun Alagh**
Chairman, Chief Executive Officer and Whole Time Director

ii. **Ms. Ghazal Alagh**
Whole Time Director

iii. **Mr. Raman Preet Sohi**
Chief Financial Officer

iv. **Mr. Gaurav Pandit**
Company Secretary and Compliance Officer*

**During FY 2025-26, the Board, based on the recommendation of NRC in its meeting held on July 17, 2025, has appointed Mr. Gaurav Pandit as Company Secretary and Compliance Officer of the Company with effect from July 18, 2025.*

Declarations and Confirmations on Independent Directors

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

i) they continue to fulfil the criteria of independence as required pursuant to section 149(6) read with schedule IV of the Act and regulation 16(1)(b) of the SEBI Listing Regulations;

ii) they have confirmed that they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties in terms of regulation 25(8) of the SEBI Listing Regulations;

iii) they are not debarred from holding the office of Director pursuant to any SEBI order or order of any such authority; and

iv) there has been no change in the circumstances affecting their status as Independent Director of the Company.

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

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

Familiarisation Programme for Independent Directors

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

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

In accordance with the provisions of the Act and the SEBI Listing Regulations, the Board, with the recommendation of the NRC, has adopted a framework for evaluating the performance of the Board, its Committees and individual Directors.

During FY 2025–26, the annual performance evaluation of the Board, its Committees, the Chairman and all Directors, including the Independent Directors, was carried out through a structured evaluation process. The evaluation covered various aspects such as the effectiveness of the Board and its Committees, quality of discussions and decision-making, strategic guidance, risk oversight, governance practices, participation and contribution of Directors and the leadership of the Chairman. The performance of the Independent Directors was also assessed based on their independence, objectivity and overall contribution to the Board's deliberations.

The Independent Directors also met separately, without the presence of the Non-Independent Directors and members of the management, to evaluate the performance of the Chairman, the Non-Independent Directors and the Board as a whole.

The Board noted that the evaluation reflected its continued effectiveness in discharging its responsibilities. The feedback received during the evaluation has been considered to further strengthen Board processes, succession planning and overall governance practices. Individual feedback was also shared with the respective Directors by the Chairman. Further details of the evaluation process are provided in the Corporate Governance Report forming part of this Annual Report.

The Policy on Board of Directors' Evaluation Framework can be accessed at: https://honasa.in/cdn/shop/files/PolicyonBoardEvaluationPerformance.pdf.

Board and its Committees

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

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

Number of Meetings of the Board

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

During FY 2025-26, the Board met 7 (Seven) times on May 22, 2025, July 17, 2025, August 12, 2025, November 12, 2025, December 11, 2025, February 12, 2026 and March 6, 2026. The maximum interval between any two meetings did not exceed the period prescribed under the provision of Section 173 of the Act and Regulation 17 of the SEBI Listing Regulations. Details of the meetings of the Board along with the attendance of the Directors therein have been disclosed as part of the Corporate Governance Report forming part of the Annual Report.

Board Committees

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

As on 31st March 2026, the Company has following committees of the Board:

Statutory Committee

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

Other Committee

- IPO Committee

  The IPO Committee was constituted for the purposes of approving and undertaking various activities in relation to the IPO of the Company. The Board at its meeting held on November 12, 2025, dissolved the IPO Committee of the Company with immediate effect.

- ESG and Sustainability Committee

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

During FY 2025-26, all the recommendations made by Board committees, including the Audit Committee, were accepted by the Board.

Policy on Appointment and Remuneration

The Board has formulated and adopted a Nomination & Remuneration Policy in accordance with Section 178 of the Act. This policy outlines the guiding principles for the appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management of the Company. The Nomination & Remuneration Policy is available on the Company's website at https://honasa.in/cdn/shop/files/NominationRemunerationPolicy.pdf. No changes were carried out in aforesaid policy during FY 2025-26.

Directors' Responsibility Statement

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

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

b) the selection and application of accounting policies were assessed for their consistent application and judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended 31st March 2026;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts of the Company have been prepared on a going concern basis;

e) proper internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism/Whistle Blower Policy

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

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

During FY 2025-26, one complaint was received on March 30, 2026, which was investigated through independent third party professional and necessary action has been taken by audit committee. The Whistle-blower policy is available on the Company's website and can be accessed at https://honasa.in/cdn/shop/files/Whistle_Blower_Policy.pdf.

Corporate Social Responsibility ("CSR")

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendment thereof, the Board has constituted a CSR Committee. The composition of the CSR Committee is provided in the Corporate Governance Report, which forms part of the Annual Report.

A brief outline of the CSR Philosophy, the CSR initiatives undertaken during the FY 2025-26 together with progress thereon and the report on CSR activities in the prescribed format, as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **Annexure – III** to this Report.

The CSR Policy has been duly framed by the Company in accordance with the requirements of section 135 of the Act read with rules made thereunder. The Board approved amendments to the CSR Policy on May 21, 2026, inter-alia, to broaden the scope of the Company's CSR focus areas by including Education, in line with its strategic intent to strengthen and expand its CSR initiatives in the education sector. The updated CSR Policy is available on the Company's website at https://honasa.in/cdn/shop/files/CSR-Policy_v2.pdf.

Related Party Transactions

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

All contracts/arrangements/transactions entered into by the Company during FY 2025-26 with related parties were in the ordinary course of business and on arm's length.

During the FY 2025-26, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Accordingly, there are no transactions that are required to be reported in Form AOC-2.

In line with the requirement of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions for identifying, reviewing, approving and monitoring Related Party Transactions and the same is available on the website of the Company at https://honasa.in/cdn/shop/files/1._Policy_on_materiality_of_related_party_transactions_and_on_dealing_with_related_party_transactions.pdf.

Particulars of Loans, Guarantees and Investments

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

Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo for the FY 2025-26 are as below:

Particulars	(₹ in millions)
Foreign Exchange earned	491.60
Foreign Exchange outgo	439.50

Annual Return

The Annual Return of the Company as of 31st March 2026, in Form MGT – 7 in accordance with Section 92(3) and Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at https://honasa.in/pages/investor.

Particulars of Remuneration of Directors and Employees

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

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

Business Responsibility and Sustainability Report

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

The Business Responsibility and Sustainability Report for the FY 2025-26, as stipulated under Regulation 34(2)(f) of the SEBI Listing Regulations, describing the initiatives taken by the Company on an environmental, social and governance perspective, forms part of the Annual Report.

Corporate Governance Report

The Company is committed to maintaining the highest standards of corporate governance as a foundation for sustainable value creation and stakeholder trust. The Company's governance framework is built on the principles of transparency, accountability, ethical conduct and equitable treatment of all stakeholders. During FY 2025-26, the Company maintained full compliance with the corporate governance provisions under the Act and the SEBI Listing Regulations.

A comprehensive report on Corporate Governance along with a certificate from Arora Shekhar & Company, Practicing Company Secretaries, confirming compliance with corporate governance requirements, is provided as part of the Annual Report.

Risk Management

Risk management is an integral part of the Company's governance framework and business strategy. The Company has established an Enterprise Risk Management (ERM) framework that enables the timely identification, assessment, monitoring and mitigation of risks across the organization. The framework is supported by a Board-approved Risk Management Policy and is embedded into business planning and decision-making. It covers key risk categories, including Strategic, Operational, Financial, Compliance & Regulatory, Reputational and Cybersecurity risks, with defined risk appetite thresholds and periodic assessments.

The Company identifies and monitors risks across all key business functions through a structured governance process supported by periodic risk assessments and risk dashboards are regularly presented to the Risk Management Committee. During FY 2025–26, the Risk Management Committee met twice to review key enterprise risks, including input cost volatility, changing consumer demand, distributor credit risk, legal and regulatory matters, brand and marketing effectiveness, inventory optimisation and cybersecurity and data privacy. Mitigation plans for identified risks are regularly monitored by the respective business functions under the oversight of the Chief Risk Officer, with support from the internal audit function.

The Company remains committed to continuously strengthening its risk management practices in line with the evolving business and regulatory environment. Based on the reviews carried out during FY 2025-26, the Board is of the opinion that there are no risks that could materially threaten the existence of the Company.

The Company has adopted a Risk Management Policy in accordance with the applicable provisions of the SEBI Listing Regulations. The Policy is available on the Company's website at https://honasa.in/cdn/shop/files/RiskManagementPolicy.pdf.

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

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

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

The following is a summary of sexual harassment complaints received and conclusively handled during the FY 2025-26:

Particulars	Number of Complaints
Number of complaints of sexual harassment received during the year	10
Number of complaints disposed off during the year	10
Number of cases pending for more than ninety days	0
Number of complaints pending as on end of the financial year	0

Compliance with Secretarial Standards

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

Compliance with the Maternity Benefit Act, 1961

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

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

Gender-Wise Composition of Employees

In alignment with the principles of diversity, equity and inclusion (DEI), the Company discloses below the gender composition of its workforce as on the 31st March 2026.

Particular	No. of Employees
Male Employees	658
Female Employees	278
Transgender Employees	0

General

No disclosure or reporting is made in respect of the following items, as there were no transactions during FY 2025-26:

i) The issue of equity shares with differential rights as to dividend, voting or otherwise;

ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme except Employees' Stock Options Plans referred to in this report;

iii) There were no amount proposed to be transferred to general reserves;

iv) In terms of the provisions of section 73 of the Act read with the relevant rules made thereunder, the Company had no opening or closing balances and also has not accepted any deposits during the FY 2025-26 and as such, no amount of principal or interest was outstanding as on 31st March 2026;

v) Considering the nature of the business of the Company, the particulars with respect to conservation of energy and technology absorption required as per Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company;

vi) There are no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

vii) The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;

viii) There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;

ix) There was no instance of one time settlement with any Bank or Financial Institution; There was no revision in the financial statements and Board's Report;

x) There was no change in the nature of business;

xi) There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report;

xii) The Chairman, CEO and Whole Time Director of the Company has not received any remuneration or commission from any of its subsidiaries during FY 2025-26; and

xiii) There was no instance where the Company failed to implement any corporate action within the prescribed statutory timelines.

Acknowledgements

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

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: August 13, 2026

Annexure – I

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

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

1. Number of Subsidiaries – 5 (Five)

Sl. No.	Particulars					
1.	CIN/any other registration number of subsidiary Company	U93020MH2004PTC148187	U93000KA2011PTC058323	U24100TG2022PTC165997	1073972	1802220058896
2.	Name of the subsidiary	Bhabani Blunt Hair Dressing Private Limited	B:Blunt-Spratt Hairdressing Private Limited	BTM Ventures Private Limited	Honasa Consumer General Trading LLC., Dubai	PT Honasa Consumer Indonesia
3.	The date since when the subsidiary was acquired	March 15, 2022	March 15, 2022	January 6, 2026	June 16, 2022	February 18, 2022
4.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA	NA
5.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	Reporting Currency- AED Exchange Rate- AED 1 = ₹ 25.55	-
6.	Share Capital	0.28	15	0.1	2.34	
7.	Reserves & Surplus	358.35	222.36	143.86	(5.14)	
8.	Total Assets	559.82	400.80	378.82	38.25	
9.	Total Liabilities	201.2	163.44	234.86	41.05	
10.	Investments	242.85	126.46	0	0	Nil
11.	Turnover	243.95	287.56	370.90	0	
12.	Profit Before Taxation	4.19	53.12	66.74	1.14	
13.	Provision for Taxation	1.89	12.52	17.71	0	
14.	Profit/(Loss) after Taxation	2.30	40.60	49.03	1.14	
15.	Proposed Dividend	NA	NA	NA	NA	NA
16.	Percentage of Shareholding	100%	100%	95%	100%	100%

2. Names of subsidiaries which are yet to commence operations:

Sl. No.	CIN/any other registration number	Names of subsidiaries which are yet to commence operations
1.	1802220058896	PT Honasa Consumer Indonesia

3. Names of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year:

Sl. No.	CIN/any other registration number	Names of subsidiaries which have been liquidated or have ceased to be a subsidiary
1	U24230DL2003PTC423473	Fusion Cosmeceutics Private Limited
2	U80302HR2010PTC107239	Just4Kids Services Private Limited

Part "B": Associates and Joint Ventures

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

1. Number of Associates/Joint Venture- 1 (One)

Block-1		
1	Name of Associate/Joint Venture	Couch Commerce Private Limited
2	Latest audited Balance Sheet Date	31st March 2026
3	Date on which the Associate or Joint Venture was associated or acquired	December 15, 2025
4	Shares of Associate/Joint Ventures held by the company on the year end	25%
A	Number	3,508 Compulsorily Convertible Preference Shares
B	Amount of Investment in Associates/Joint Venture	₹ 99.98 million
C	Extent of Holding %	25%
5	Description of how there is significant influence	The Company has control over the key financial and operating activities.
6	Reason why the associate/joint venture is not consolidated	The Company has control over the key financial and operating activities as it reserves the rights to key decisions. Accordingly, such investment is considered in the nature of Joint Venture.
7	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 25 million
8	Profit/Loss for the year	₹ (5.65) million
A	Considered in Consolidation	₹ 1.41 million
B	Not Considered in Consolidation	₹ 4.24 million

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

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

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

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

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: August 13, 2026

Annexure – II

SECRETARIAL AUDIT REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Honasa Consumer Limited
Unit No - 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka,
South West Delhi, New Delhi - 110 075

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

Auditor's responsibility

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

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

Based on our verification of the Honasa Consumer Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2026, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

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

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

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

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 (Not applicable during Audit Period);

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during Audit Period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, with which the Company has generally complied with. The Company is generally regular in filing e-forms with Registrar of Companies under the provisions of the Act.

We further report that, with regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with Sector/Industry based laws applicable to the Company as below:

- Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder
- Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules") and the proposed amendments to the E-Commerce Rules.
- Drugs and Cosmetics Act, 1940 ("DCA"), the Drugs and Cosmetics Rules, 1945 ("DCA Rules") and the Cosmetics Rules, 2020
- Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")
- The Food Safety and Standards Act, 2006 (the "FSSA") and Food Safety and Standards (Health Supplements, Nutraceuticals, Food For Special Dietary Use, Food For Special Medical Purpose, Functional Food And Novel Food) Regulations, 2016
- The Sale of Goods Act, 1930 (the "Sale of Goods Act")
- The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder
- The Digital Personal Data Protection Act, 2023 (the "DPDP Act" or the "Act")
- Plastic Waste Management Rules, 2016
- Copyright Act, 1957
- Trade Marks Act, 1999 ("Trade Marks Act")
- Design Act, 2000 ("Design Act")
- The consolidated Foreign Direct Investment Policy of 2020 (the "Consolidated FDI Policy")
- Employees' State Insurance Act, 1948
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Right of Persons with Disabilities Act, 2016
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Contract Labour (Regulation and Abolition) Act, 1970
- Labour Welfare Fund legislations
- The Industrial Relations Code, 2020
- The Code on Wages, 2019
- The Occupational Safety, Health and Working Conditions Code, 2020
- The Code on Social Security, 2020

We further report that:

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except few Board Meetings and Committee Meetings which were held on shorter notice in compliance with the applicable laws and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. All decisions at Board meetings and Committee meetings are carried out with required majority and recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

For and on behalf of
M/s Arora Shekhar & Company
(Practicing Company Secretaries)

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475H001120186

Place : New Delhi
Date : 13-08-2026

Annexure to Secretarial Audit Report

To,
The Members,
Honasa Consumer Limited
Unit No - 404, 4th Floor, City Centre,
Plot No 05, Sector-12, Dwarka
New Delhi - 110 075

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

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

For and on behalf of
M/s Arora Shekhar & Company
(Practicing Company Secretaries)

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475H001120186

Place : New Delhi
Date : 13-08-2026

Annexure III

Annual Report on CSR Activities

1. Brief Outline on CSR Policy of the Company

Honasa Consumer Limited prioritises Corporate Social Responsibility alongside its economic goals, emphasising environmental and social stewardship for sustainable growth. The Company's CSR Policy outlines its commitment to and framework for socially beneficial initiatives aimed at community welfare and sustainable development. The Policy applies across all Company work centres and locations, as well as any other parts of India where the Company operates, reflecting its philosophy of giving back to society and contributing to a sustainable future. To contribute to holistic community well-being, the Company's CSR initiatives focus on environmental sustainability, promotion of healthcare (including preventive healthcare), eradication of hunger, poverty and malnutrition and support for educational initiatives.

2. Composition of CSR Committee and meetings held

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

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

Composition of CSR committee: https://honasa.in/cdn/shop/files/Composition_of_Committees.pdf

CSR Policy: https://honasa.in/cdn/shop/files/CSR-Policy_v2.pdf

CSR projects approved by the board: https://honasa.in/cdn/shop/files/CSR_Annual_Action_Plan_2025-26_Honasa.pdf

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

Not Applicable for the FY 2025-26.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 1,040.38 million

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 20.81 million

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: 0.16 million

(e) Total CSR obligation for the financial year (b+c-d): ₹ 20.65 million

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): ₹ 21.38 million*

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 21.38 million*

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 21.38 million*	Not Applicable				

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

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 20.81 million
(ii)	Total amount spent for the Financial Year	₹ 21.38 million*
(iii)	Excess amount spent for the Financial Year	₹ 0.57 million
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Year [(iii)-(iv)]	₹ 0.57 million

** including carry forward of excess CSR expenditure of FY 2024-25 amounting to ₹ 0.16 million*

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

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

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

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

For and on Behalf of Board of Directors
Honasa Consumer Limited

Place: Gurugram
Date: August 13, 2026

Ghazal Alagh
Chairperson of the CSR Committee
DIN: 07608292

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

Annexure – IV

Statement under Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(a) The percentage increase in remuneration of each Director and ratio of their remuneration to the median remuneration of the employees of the Company during FY 2025-26 are as under:

Name of the Director	Designation	Ratio of Remuneration of each Director to the median remuneration of employees for FY 2025-26	% Increase in remuneration
Non-Executive Directors			
Mr. Subramaniam Somasundaram	Independent Director	2.73[1]	Nil
Mr. Vivek Gambhir	Independent Director	2[1]	Nil
Ms. Namita Gupta	Independent Director	2[1]	Nil
Mr. Ishaan Mittal	Nominee Director	NA[2]	NA
Executive Directors			
Mr. Varun Alagh	Chairman, CEO and Whole-time Director	44.00	10%[3]
Ms. Ghazal Alagh	Whole-time Director	27.27	52%[3]

[1]Remuneration paid to Independent Directors includes sitting fees & commission. The sitting fees are determined based on the number of Board and Committee meetings attended by each Independent Director during the financial year 2025-26.

[2]Mr. Ishaan Mittal being Nominee Director has not drawn any remuneration for the FY 2025-26 and FY 2024-25.

[3]Does not include Performance Linked Bonus paid for FY 2025-26 during FY 2026-27.

(b) The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, during FY 2025-26:

Name of the Director or KMP	Designation	Percentage Increase in FY 2025-26
Mr. Raman Preet Sohi	Chief Financial Officer	19%[1]
Mr. Dhanraj Dagar[2]	Company Secretary & Compliance Officer	NA[4]
Mr. Gaurav Pandit[3]	Company Secretary & Compliance Officer	NA[4]

[1]Does not include Performance Linked one time payout and ESOP linked perquisite for FY 2025-26 during FY 2026-27.

[2]Mr. Dhanraj Dagar ceased to be the Company Secretary & Compliance Officer w.e.f. July 11, 2025.

[3]Appointment of Mr. Gaurav Pandit as the Company Secretary & Compliance Officer w.e.f. July 18, 2025 i.e. during the financial year 2025-26.

[4]As the remuneration paid for FY 2025-26 is for part of the year, the field for "% increase/ decrease in remuneration in FY 2025-26" is not comparable.

(c) Percentage increase in the Median Remuneration of all employees in the FY 2025-26: 9.30%.

(d) Number of permanent employees on the rolls of Company as of 31st March 2026:

There are 936 permanent employees on the rolls of the Company as on 31st March 2026

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than Key Managerial Persons ("KMP") during FY 2025- 26 is 11.8% (excluding ESOP perquisites and promotions) and for KMP, the average percentage increase in the salaries during FY 2025-26 is 27% (does not include Performance Linked Bonus/ One time Payouts and ESOP linked Perquisites).

(f) the key parameters for any variable component of remuneration availed by the directors:

The variable pay of Whole Time Directors is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organization. The criteria for variable pay, which is paid out annually, includes financial parameters like revenue, profit and other strategic goals as decided by the Nomination & Remuneration committee and Board, from time to time.

(g) affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid to directors, key managerial personnel and members of senior management is as per the Nomination and Remuneration Policy of the Company.

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: August 13, 2026

Corporate Governance Report

Company's Philosophy on Code of Governance

At Honasa Consumer Limited ("Honasa" or "Company"), corporate governance is the very foundation of our stakeholder trust. We view our Board of Directors ("Board") and management team as active stewards of the Company, driven by a clear mandate to always choose what is right over what is merely required.

This commitment shapes how we operate every single day. We ground our decision-making in complete transparency and ethical conduct. By nurturing a boardroom culture that welcomes honest debate and demands true independence, we ensure our leadership receives the objective oversight needed to guide the Company forward safely.

As a digital-first house of brands, we understand that rapid growth requires rigorous oversight. We hold every brand in our portfolio to the highest standards of accountability and ethical sourcing. Our governance framework actively monitors emerging risks, protects consumer data and champions fair practices across our entire supply chain. By rooting our environmental and social goals in strong internal controls, Honasa builds a resilient business that consistently protects and creates value for all our stakeholders.

The Company confirms full compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") including regulation 17 to 27, schedule V and relevant clauses of regulation 46 for the financial year 2025-26 ("FY 2025-26"), as detailed in the Corporate Governance Report.

Guiding Principles

1 Integrity and Ethical Conduct

We uphold the highest standards of integrity, honesty and ethical behaviour in all our business dealings. Our Board, management and employees are expected to act in the best interests of the Company and its stakeholders at all times.

2 Transparency and Full Disclosure

We believe that transparency builds trust. All material information relating to financial performance, strategic decisions and governance matters is disclosed in a fair, timely and accurate manner to ensure informed decision-making by stakeholders.

3 Accountability

Every individual at Honasa, including members of the Board and senior management, is accountable for their actions and decisions. Our governance mechanisms are designed to define roles clearly and ensure that responsibilities are discharged with diligence.

4 Strategic Oversight

The Board provides independent and effective strategic guidance to the management and monitors the execution of business plans and performance objectives. This includes identifying risks and opportunities in a dynamic business environment.

5 Duty of Loyalty and Care

Directors and employees are expected to demonstrate loyalty and act in good faith, with due care and in the best interests of the Company. They must avoid conflicts of interest and place the Company's interests above personal or third party considerations.

6 Fairness and Inclusivity

We treat all stakeholders including shareholders, employees, customers, suppliers and communities with fairness and respect. Our policies and practices aim to ensure equal opportunity and a diverse and inclusive workplace.

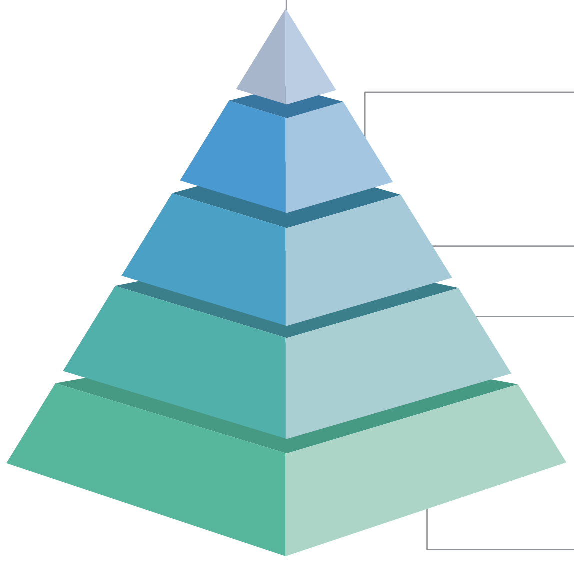
7 Sustainability and Social Responsibility

Our governance promotes environmental sustainability and social responsibility, creating long term value for both shareholders and society. At Honasa, every brand is purpose-driven whether it's planting trees, health, empowering women, supporting clean water, education.

8 Stakeholder Engagement

We maintain open, transparent and continuous communication with all our stakeholders. Their feedback helps us evolve our practices and strengthen our governance.

Governance Structure



1 Board of Directors

Provides oversight of strategy, governance, financial integrity, risk management and sustainable value creation.

2 Board Committees

Assist the Board through focused oversight and expert review of matters within their respective mandates.

3 Chairman

Drives effective Board leadership, encourages constructive dialogue and ensures robust governance practices.

4 Lead Independent Director

Provides independent leadership, facilitates effective Board dynamics and strengthens governance oversight.

5 Senior Management

Converts strategic priorities into execution, drives business performance and fosters innovation and accountability.

Board of Directors

The Board of the Company has an optimal blend of Executive and Non-Executive Directors including Independent Directors in conformity with regulation 17 of the SEBI Listing Regulations.

As of 31st March 2026, the Board of the Company comprised of 6 (six) Directors, out of which 2 (two) are Whole Time Directors and 4 (four) are Non-Executive Directors. Out of the Non-Executive Directors, 3 (three) are Independent Directors including 1 (one) Independent Woman Director.

During the FY 2025-26, there have been no changes in the composition of the Board, reflecting stability in governance. The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("Act") and the SEBI Listing Regulations. All the Independent Directors have provided an annual confirmation that they meet the criteria of Independence as mentioned in regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

In terms of regulation 25(8) of the SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board is of the opinion that Independent Directors meet the criteria of independence as mentioned under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

None of the Directors on the Board hold directorships in more than 20 (twenty) companies, which include 10 (ten) public companies. None of the Directors serve as a Director or an Independent Director in more than 7 (seven) listed companies. Whole Time Directors of the Company do not serve as an Independent Director in any other listed entity.

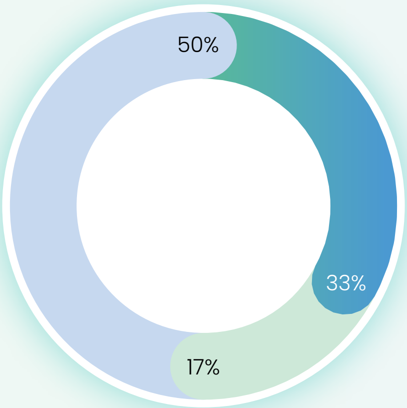
None of the Directors is a member of more than 10 (ten) committees or Chairperson of more than 5 (five) committees across all the public companies in which he/she is a Director. For determining the limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee have only been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations. Necessary disclosures regarding Committee positions in other public companies as of 31st March 2026, have been made by the Directors. No Independent Director has resigned before the expiry of his/her tenure.

Mr. Varun Alagh and Ms. Ghazal Alagh are related to each other as spouse and no relationship exists among other directors. Further, Mr. Varun Alagh, Chairman, CEO & Whole Time Director of the Company, is liable to retire by rotation at the 10th Annual General Meeting of the Company, being eligible, has offered himself for the re-appointment as the Executive Director of the Company.

Composition of the Board

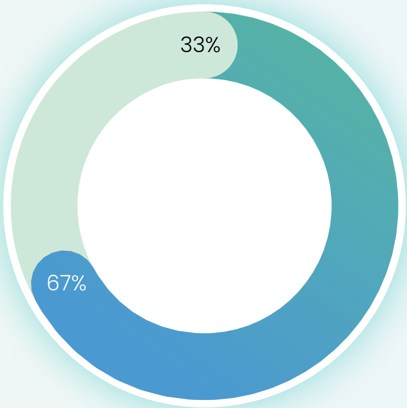
As of 31st March 2026 and the date of this Report, the Board of the Company comprised of six (6) Directors.

Board Composition



- Executive Director
- Non-Executive Non-Independent Director
- Independent Director (Including Woman Director)

Gender Diversity



- Male
- Female

Average Tenure as on 31st March 2026

~6.38 years
Board Members

~4.32 years
Independent Directors

Mr. Varun Alagh

(DIN: 07597289)
Chairman, CEO & Whole Time Director

Date of Appointment - **16/09/2016**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
4	–	–

Directorship in other Listed Companies and category

Nil

Ms. Ghazal Alagh

(DIN: 07608292)
Whole Time Director

Date of Appointment - **16/09/2016**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
4	1	–

Directorship in other Listed Companies and category

Nil

Mr. Subramaniam Somasundaram

(DIN: 01494407)
Independent Director

Date of Appointment - **11/02/2022**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
9	8	5

Directorship in other Listed Companies and category

1. Teamlease Services Limited – Independent Director
2. United Breweries Limited – Independent Director
3. Manipal Health Enterprises Limited - Independent Director (Listed w.e.f., August 05, 2026)

Mr. Vivek Gambhir

(DIN: 06527810)
Independent Director

Date of Appointment - **24/03/2021**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
8	4	1

Directorship in other Listed Companies and category

Metropolis Healthcare Limited – Independent Director

Ms. Namita Gupta

(DIN: 07337772)
Independent Director

Date of Appointment - **08/06/2022**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
4	3	1

Directorship in other Listed Companies and category

Eternal Limited – Independent Director

Mr. Ishaan Mittal

(DIN: 07948671)
Non-Executive Nominee Director

Date of Appointment - **03/01/2020**

Attendance at the AGM held on September 25, 2025 - **Yes**

Member/Chairperson of Board & Committees		
Directorship	Committee Membership	Committee Chairperson
3	1	–

Directorship in other Listed Companies and category

Nil

Detailed Profile of Directors

The detailed profiles of the Directors, including their qualifications, professional experience and expertise are available on the Company's website.

Notes:

a) *The directorships, as mentioned above, exclude the directorships held in foreign body corporates, if any and include directorship in Honasa.*

b) *In accordance with regulation 26(1) of SEBI Listing Regulations, memberships/chairpersonships of only the Audit Committee and Stakeholders' Relationship Committee in all public limited companies (listed and unlisted), excluding private limited companies, foreign companies and companies under Section 8 of the Act, have been considered. Committee membership includes chairpersonship of Committee and also include membership/chairpersonship in the Committee of Honasa.*

Board Procedure

The Company has established a robust and well-defined framework for conducting meetings of the Board and its Committees, aimed at streamlining the decision-making process in an informed, transparent and efficient manner. Inputs and feedback from Board Members are regularly solicited and incorporated into the preparation of meeting agendas and supporting documentation, ensuring the relevance and completeness of information.

A detailed agenda outlining the business to be transacted at each Board and Committee Meeting, supported by comprehensive notes and presentations (where applicable), is circulated to every Director at least 7 (seven) days prior to the scheduled meeting. In cases where meetings are convened on shorter notice to address urgent matters, this timeline may be adjusted accordingly. To facilitate full participation, video conferencing facilities are made available for Directors who are unable to attend in person meetings.

The annual calendar of Board and Committee meetings for each financial year is finalised in advance in consultation with the Directors, enabling them to plan their schedules and participate effectively and meaningfully in the meetings. In addition to the meetings scheduled as per the annual calendar, the Company convenes additional meetings as and when required.

To enable the Board and Committee to discharge its responsibilities effectively and make informed decisions, Chief Executive Officer ("CEO") & Whole Time Director and Chief Financial Officer ("CFO") provide a comprehensive update on the overall performance of the Company at every Board and Audit Committee Meetings.

The Board undertakes periodic reviews of key areas, which *inter-alia*, include Strategic and business plans, Investment and exposure limits, Performance of Products and Brands, Approval of quarterly, half-yearly and annual financial results, risk management initiatives, major accounting provisions and write-offs, if any, Material defaults in financial obligations, if any, Environmental, Social & Governance matters, Minutes of Board committees and subsidiary board meetings, Significant transactions and arrangements involving unlisted subsidiaries, if any and other relevant matters.

The Board sets annual performance objectives and monitors both management's actions and results. It also evaluates its own effectiveness, the performance of its committees and individual directors on an annual basis. This ongoing self-assessment ensures continuous improvement in governance practices aimed at enhancing stakeholder value.

Through active monitoring of the Company's and Management's performance, the Board approves strategic plans, reviews progress and strives for sustained organisational growth. The Board places paramount importance on statutory compliance, ethical conduct and robust internal financial reporting to uphold the highest standards of corporate governance.

Board Members have unrestricted access to the Company's management and relevant information, thereby enabling them to discharge their responsibilities effectively. In addition to the Directors and the Company Secretary, Board and committee meetings are also attended by CFO and functional heads of various departments, whenever required, to provide specific insights and clarifications as necessary.

The Company Secretary plays a pivotal role in ensuring that the procedural aspects of Board and Committee functioning are properly implemented and regularly reviewed. The Company Secretary is primarily responsible for supporting and advising the Board on governance-related matters, ensuring compliance with applicable statutory and regulatory requirements, facilitating the convening of meetings, providing guidance to Directors, and acting as the principal liaison between the management and regulatory authorities on matters relating to corporate governance.

Core skills/expertise/competence of Board

The Board is of the view that its current composition represents a well-balanced mix of skills, expertise, experience, diversity and independence. Collectively, the Board provides effective leadership, strategic direction and objective, independent judgement to the management of the Company ensuring adherence to the highest standards of ethics, governance, transparency and disclosure.

In line with best governance practices, the Board periodically assesses its structure and composition to ensure it remains aligned with the evolving needs of the Company and the dynamic business environment.

The Board has identified the following core skills, expertise and competencies as fundamental for effective governance and value-driven oversight. These competencies are adequately represented among the Directors:

Description of Skills / Expertise / Competencies

Financial Experience and Risk Oversight

Proven expertise in financial management, accounting, budgeting, internal controls, risk management and audit-related matters. Ability to understand and interpret financial statements, assess financial viability and oversee enterprise risks.

Global Business / International Exposure

Experience in managing or overseeing businesses across international markets or emerging economies, with insight into cross-cultural business operations, global market dynamics and international regulatory environments.

Business/ Sector Experience

In-depth understanding of the Company's industry, including market trends, consumer behaviour, product innovation, supply chain and competitive landscape. Experience in business strategy and execution within the FMCG or beauty/personal care sector.

Technology and Innovation

Knowledge or experience in leveraging digital technologies, product innovation, e-commerce, data analytics and business transformation through tech-driven solutions.

Governance and Regulatory Oversight

Familiarity with legal and regulatory frameworks, corporate governance best practices, stakeholder management, board procedures, and statutory compliance under relevant laws and regulations.

Sales and Marketing Exposure

Experience in brand management, advertising, customer engagement, digital and traditional marketing, distribution strategy and scaling go-to-market efforts in competitive industries.

Name of Directors	Total Skill (out of 6)	Financial Experience and Risk Oversight	Global Business / International Exposure	Business/ Sector Experience	Technology and Innovation	Governance and Regulatory Oversight	Sales and Marketing Exposure
Mr. Varun Alagh		✓	✓	✓		✓	✓
Ms. Ghazal Alagh				✓	✓		✓
Mr. Subramaniam Somasundaram		✓	✓	✓		✓	
Mr. Vivek Gambhir		✓	✓	✓		✓	✓
Ms. Namita Gupta			✓	✓	✓		
Mr. Ishaan Mittal		✓	✓	✓		✓	

Lead Independent Director

To further strengthen its governance framework, the Board appointed Mr. Subramaniam Somasundaram, Independent Director, as the Lead Independent Director to ensure robust independent leadership of the Board.

The key roles and responsibilities of the Lead Independent Director are as follows:

Role	Description
Independent Directors' Meetings	Convene and preside over separate meetings of the Independent Directors and provide feedback to the Chairman thereafter.
Leadership & Liaising	Provide leadership to Independent Directors and liaise between the Chairman and Independent Directors.
Board Effectiveness	Ensure Board effectiveness and maintain high standards of corporate governance, including suggestions on agenda items for Board / Committee meetings on behalf of the independent directors.
Acting Chair	Preside over Board and shareholders' meetings in the absence of the Chairman or where the Chairman is an interested party.
Board Feedback	Present the collective views and objective feedback of the Independent Directors to the Board.
Succession Planning	Assist the Board in succession planning.
Other Responsibilities	Perform such other duties as may be delegated by the Board from time to time.

Number of Board Meetings and Attendance

During FY 2025-26, the Board met regularly to ensure effective oversight and strategic guidance. The Company ensured compliance with the statutory requirements under the Act and SEBI Listing Regulations.

The Board met at least once in every calendar quarter and the time gap between any two consecutive meetings did not exceed 120 days, thereby ensuring compliance with regulation 17(2) of the SEBI Listing Regulations.

The Board met 7 (seven) times during the FY 2025-26 on May 22, 2025, July 17, 2025, August 12, 2025, November 12, 2025, December 11, 2025, February 12, 2026 and March 06, 2026.

The detailed disclosure of the Board Meetings held during the FY 2025-26 along with the attendance of Directors at these meetings is given below:

Name of Director	Board Meetings held during FY 2025-26							% of Attendance
	May 22, 2025	July 17, 2025	August 12, 2025	November 12, 2025	December 11, 2025	February 12, 2026	March 06, 2026	
Mr. Varun Alagh	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Ghazal Alagh	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Subramaniam Somasundaram	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Vivek Gambhir	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Namita Gupta	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Ishaan Mittal	✓	✓	✓	✓	✓	✓	✓	100%
% of Attendance	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

✓ (Present) ✗ (Absent)

Meeting of Independent Directors

In accordance with the provisions of the Act and regulation 25(3) of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on August 12, 2025, for FY 2025-26.

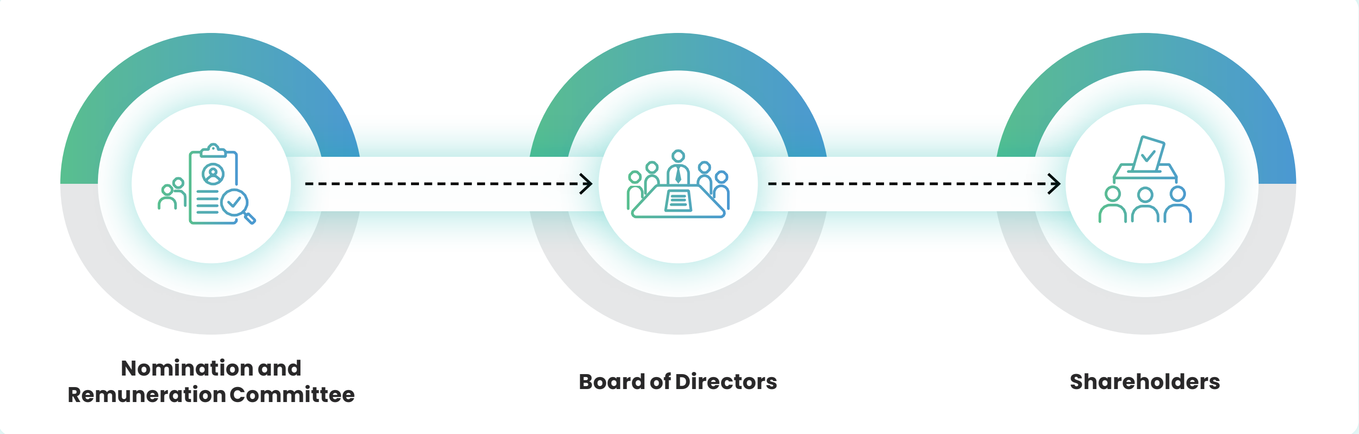
This exclusive meeting was conducted without the presence of the Chairman, Executive Directors, Non-Independent Directors or any members of the management team thereby providing the Independent Directors an opportunity to independently deliberate on key matters.

The agenda for this meeting included:

- Review of the performance of Non-Independent Directors and the Board as a whole.
- Assessment of the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, quantity, and timeliness of the flow of information between the management and the Board that is necessary for effective performance.

This meeting was attended by all the Independent Directors.

Selection and appointment of new directors



The Company follows a structured and transparent process for the selection and appointment of Directors to ensure that the Board comprises individuals with an appropriate mix of skills, experience, diversity and expertise to support the Company's long-term strategy and governance objectives.

The Nomination and Remuneration Committee ("NRC") identifies potential candidates through internal and external talent networks, considering the Board's succession plan, evolving business requirements and competency gaps. The NRC evaluates candidates based on various factors, including qualifications, professional experience, expertise, leadership capabilities, integrity, independence (where applicable), diversity, time commitment, understanding of the Company's business and industry, and their ability to contribute effectively to the Board's deliberations. The NRC also assesses the overall composition of the Board to ensure an appropriate balance of skills, experience, diversity and independence before recommending suitable candidates to the Board.

The Board reviews the NRC's recommendation, evaluates the candidate's suitability and strategic fit, and recommends it to the shareholders for their approval.

Board Evaluation Framework

As part of its commitment to continuous improvement in governance standards, the Company revamped its Board Evaluation questionnaire. The annual performance evaluation covered the Board, Board Committees, Individual Directors and the Chairman.

The evaluation was conducted through structured questionnaires circulated electronically to all Directors. Based on the responses received, a consolidated performance evaluation report was prepared and circulated to the Independent Directors, NRC and Board for their review and consideration.

The Independent Directors also met separately, without the presence of the Non-Independent Directors and members of the management, to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole.

The evaluation framework, *inter alia*, covered the following aspects:

Role	Description
Board	Composition and competency, Board processes and meetings, strategic oversight, risk management and overall Board effectiveness.
Board Committees	Composition, knowledge and experience, discharge of duties, meetings and recommendations to the Board.
Individual Directors	Skills and experience, understanding of the Company's business, participation in discussions, attendance and adherence to the Company's Code of Conduct.
Independent Directors	Independence from the Company and other Directors, independent judgement, absence of conflict of interest and contribution to Board deliberations.
Chairman	Leadership of the Board, effective communication, facilitation of balanced discussions and strategic leadership.

The evaluation reflected the Board's continued effectiveness in providing strategic guidance and oversight. The feedback received during the evaluation was considered by NRC and Board to further strengthen Board processes, succession planning and overall governance practices. Individual feedback was also shared with the respective Directors by the Chairman. The NRC and the Board noted the outcome of the evaluation and expressed satisfaction with the overall performance during FY 2025–26.

Succession planning

The Company follows a structured succession planning framework to ensure continuity in leadership and long-term organisational resilience. The NRC, together with the Board, oversees succession planning for the Board, Key Managerial Personnel ("KMP") and Senior Management. The Chief Human Resource Officer periodically reviews the succession pipeline for senior management and provides update to the NRC, enabling timely assessment of leadership readiness and development needs. The framework focuses on building a strong leadership pipeline through internal talent development while maintaining an appropriate balance of skills, experience and diversity, thereby ensuring seamless leadership transitions and sustained organisational effectiveness.

Familiarisation Programme for Non-Executive Directors

Honasa has a robust induction process in place to help newly appointed directors become familiar with the Company, its management, operations and the industry in which it operates. At the time of their appointment or re-appointment, all directors receive a formal letter of appointment outlining their roles, responsibilities and other terms and conditions associated with their position.

As part of the induction, directors are provided with key documents such as the Company's constitutional documents, latest Annual Report, Code of Conduct and other relevant policies. To further support this process, interactions are organised between the directors and senior management, offering insights into the organisational structure, departmental functions, internal control systems and other critical aspects of the Company.

Apart from the above, quarterly presentations are made to Board to further familiarise the Directors with the Company's strategy, business performance, business environment, operational reviews, risk management and other related matters.

Further, on an annual basis, the Company conducts an Annual Business Plan meet for all Board members. These sessions include presentations and discussions covering a range of business areas including strategies, operational targets, performance goals across various channels, key risks, function-wise Objectives and Key Results (OKRs) and developments across both domestic and international business segments.

Annual Business Plan Meet for FY 2026-27 was held in Goa on March 06, 2026, where the Board engaged with members of the senior management team to review strategic priorities and the business outlook and approved the Annual Operating Plan (AOP) for FY 2026-27.

In accordance with regulation 46 of the SEBI Listing Regulations, further details of the familiarisation programme are available on the Company's website.

Directors and Officers Liability Insurance

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors and eligible employees of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

Remuneration to Directors

Remuneration Policy

The Company has a well-defined policy for Remuneration of Directors, KMP and other Senior Management Employees, which is designed to ensure a fair, transparent and performance-driven remuneration structure. This Policy outlines the principles and criteria for determining the compensation of Directors and senior executives taking into account their roles, responsibilities and performance in line with the Company's objectives and shareholder interests.

The Nomination and Remuneration Policy is available on the Company's website.

Remuneration to Non-Executive Directors

The NRC, after evaluating the appropriate basis for compensation to Non-Executive Directors, considers multiple factors including:

- Participation in Board and Committee meetings during the year;
- Responsibilities undertaken such as Membership or Chairmanship of various Committees;
- Time invested in discharging other duties;
- The roles and functions as prescribed under the Act and SEBI Listing Regulations; and
- any other factors deemed appropriate by the NRC.

The Criteria for making payment to Non-Executive Directors including Independent Directors is available on the Company's website.

Non-Executive Independent Directors are entitled to a sitting fee of ₹1,00,000 (Rupees One Lakh) for attending each meeting of the Board and its Committees. Additionally, Independent Directors are entitled for commission, as may be recommended by the NRC and approved by the Board not exceeding 1% of the Net Profits of the Company in accordance with the resolution passed by the shareholders from time to time.

Remuneration to Whole Time Directors

The remuneration of the Whole Time Directors is determined based on the recommendations of the NRC and approved by the Board and the members at the General Meeting, as required under the Act and SEBI Listing Regulations.

The NRC, *inter-alia*, considers the following factors while recommending remuneration:

- Prevailing industry benchmarks and best practices
- The Company's performance in comparison to industry standards
- The scope of responsibilities and accountability undertaken
- Individual performance, experience and track record
- Macro-economic trends in remuneration for similar leadership positions

The remuneration structure comprises:

- Fixed Component: Salary, perquisites and allowances
- Variable Component: Performance-linked incentive/Bonus determined by NRC linked to performance and profitability of the Company.

The above structure incorporates success and sustainability metrics to ensure alignment with the Company's long-term goals and value creation for stakeholders. It is noteworthy that the Whole Time Directors do not receive sitting fees for attending meetings of the Board or its Committees.

Details of remuneration

Non-Executive Directors

The details of sitting fees and commission paid to Non-Executive Directors during the FY 2025-26 are as under:

(₹ in Million)

Name of the Director	Sitting Fees	Fixed Pay	Commission	Perquisites	Total
Independent Director					
Mr. Subramaniam Somasundaram	1.60	-	1.40	-	3.00
Mr. Vivek Gambhir	1.40	-	0.80	-	2.20
Ms. Namita Gupta	1.00	-	1.20	-	2.20
Non-Executive Director (Nominee)					
Mr. Ishaan Mittal	-	-	-	-	-

Notes:

a) *Non-Executive Directors (including Independent Directors) did not have any pecuniary relationship or transactions with the Company, except for the payment of sitting fees, commission and reimbursement of expenses, if any, incurred by them for attending the Board and Committee meetings.*

b) *Independent Directors are not entitled to benefits under share-based incentive schemes of the Company. Further, the Company has not granted any stock options to its Non-Executive Directors.*

c) *No amount was paid to Mr. Ishaan Mittal, Non-Executive Director by the Company during FY 2025-26.*

Whole Time Directors

Details of the remuneration paid to the Whole Time Directors of the Company during the FY 2025-26 are as under:

(₹ in Million)

Name of the Director	Sitting Fees	Fixed Pay	Bonus/ Performance Linked Incentives	Perquisites	Total
Mr. Varun Alagh	-	24.20	24.20	-	48.40
Ms. Ghazal Alagh	-	24.00	6.00	-	30.00

Note:

a) *Mr. Varun Alagh and Ms. Ghazal Alagh are not entitled to benefits under share-based incentive schemes of the Company.*

b) *The terms and conditions of the appointment, notice period and severance amount of Mr. Varun Alagh and Ms. Ghazal Alagh are governed by respective employment agreement executed with the Company and shareholders approval at the AGM held on August 29, 2024. The employment agreement of Mr. Varun Alagh and Ms. Ghazal Alagh, inter-alia, provide that the Company, Mr. Varun Alagh and Ms. Ghazal Alagh are entitled to terminate the agreement by giving 6 months' notice period.*

c) *The Board on the recommendation of NRC, annually review and revise the remuneration of Mr. Varun Alagh and Ms. Ghazal Alagh within the overall limits approved by the shareholders.*

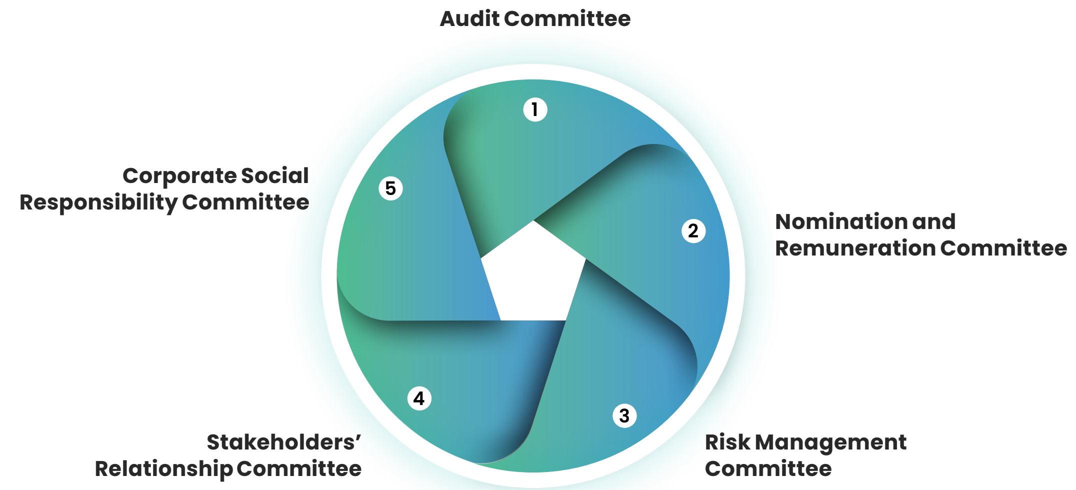
d) *Performance Linked Incentive (variable pay) is for the financial year 2025-26 which is paid in the financial year 2026-27.*

Committees of the Board

The Board has established various committees to ensure focused and effective governance of critical matters. These committees are formed with the approval of the Board and function under specific terms of reference.

These committees play a vital role in the governance framework of the Company by enabling detailed scrutiny and timely resolution of matters that require focused attention. Each committee operates under the supervision of the Board and the Chairperson of the respective committee briefs the Board on key deliberations and decisions. Recommendations made by the committees are submitted to the Board for approval and all such recommendations during the FY 2025-26 were duly accepted by the Board. Additionally, minutes of all committee meetings are regularly placed before the Board for its information and noting.

As of 31st March 2026, the Company has following Committees:



1 Audit Committee

The Audit Committee of the Board has been constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations.

Composition, Meetings and Attendance

As of 31st March 2026, the Committee comprised of 3 (three) members, with two-thirds being Independent Directors. All members of the Committee are financially literate and possess accounting or related financial management expertise. The composition of the Committee is as follows:

Mr. Subramaniam Somasundaram
Chairman (Independent Director)

He is a qualified Chartered Accountant and Cost Accountant with extensive experience, *inter alia*, in finance, financial reporting, corporate governance, internal controls and risk oversight. He served as the Chief Financial Officer of Titan Company Limited for over a decade.

Mr. Vivek Gambhir
Member (Independent Director)

Mr. Ishaan Mittal
Member (Non-Executive Director)

The Committee met 6 (six) times during the FY 2025-26 on May 22, 2025, July 17, 2025, August 12, 2025, November 12, 2025, February 12, 2026 and March 06, 2026. The gap between two meetings did not exceed one hundred and twenty days.

As a governance practice, the Company conducts pre-Audit Committee meetings before each quarterly Audit Committee meeting to discuss the key accounting matters, internal audit observations, internal financial controls, vigil mechanism, compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, other significant matters, enabling the Audit Committee to optimise its deliberations on the Statutory Auditors' presentation and the quarterly financial results.

The attendance at the meetings was as under:

Date of Meeting	Mr. Subramaniam Somasundaram	Mr. Vivek Gambhir	Mr. Ishaan Mittal	% of Attendance
May 22, 2025	✓	✓	✓	100%
July 17, 2025	✓	✓	✓	100%
August 12, 2025	✓	✓	✓	100%
November 12, 2025	✓	✓	✓	100%
February 12, 2026	✓	✓	✓	100%
March 06, 2026	✓	✓	✓	100%
% of Attendance	100%	100%	100%	

✓ (Present) ✗ (Absent)

In addition to the Committee members, the meetings were also attended by the CFO, Internal Auditors and Statutory Auditors of the Company, wherever required.

During the year under review, the Committee held separate meetings with the Internal Auditors, Statutory Auditors and Secretarial Auditors without the presence of the Management. These sessions enabled independent dialogue on matters relating to audit, financial reporting, internal controls and governance.

In compliance with the circular dated January 07, 2026 issued by the National Financial Reporting Authority ("NFRA"), the Company formulated a formal communication framework to formalise a structured and transparent engagement between Those Charged with Governance ("TCWG").

The Company Secretary of the Company acts as the Secretary to the Audit Committee. The minutes of the Audit Committee meetings are placed before the meeting of the Board for noting. The Chairman of the Audit Committee was present at the previous Annual General Meeting ("AGM") held on September 25, 2025 to answer shareholder queries pertaining to audit and financial matters.

Terms of Reference

The Committee operates under a Board-approved Terms of Reference, aligned with the requirements of the Act and the SEBI Listing Regulations. The Terms of Reference provide the framework for the Committee's oversight of financial reporting, audit, internal controls, related party transactions, risk and compliance matters, and the Whistle Blower/Vigil Mechanism.

The terms of reference of the Committee, *inter alia*, cover the following key areas:

1. Reviewing with the management, the quarterly/ annual financial statements before submission to the Board for approval;
2. Scrutiny of inter-corporate loans and investments;
3. Reviewing the adequacy of internal audit function;
4. Approval of payment to Statutory Auditors for any other services rendered;
5. 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;
6. Review the functioning of the whistle blower mechanism;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Review the financial statements, in particular, the investments made by any unlisted subsidiary;
9. Noting of disclosure made under Regulation 31(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
10. Discharge such other functions and responsibilities as may be prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Company's Code of Conduct for Prevention of Insider Trading;
11. Review quarterly statement of deviation(s) including report of monitoring agency; and
12. carrying out any other activities as may be delegated by the Board and functions required to be carried out as provided under the Act, the SEBI Listing Regulations or any other applicable law.

The detailed Terms of Reference are available on the Company's website.

Internal Audit Function

The Company has appointed BDO India Services Private Limited, Chartered Accountants ("BDO India") as the Internal Auditors. BDO India conducts periodic internal audits across various functions and processes of the Company and reports its findings and recommendations directly to the Audit Committee. The Audit Committee oversees the internal audit function and reviews the internal audit reports at regular intervals to assess the adequacy and effectiveness of the Company's internal controls, risk management framework and operational processes.

The Company has an Internal Audit Framework setting out the scope, authority and responsibilities of the Internal Audit function, including risk-based audit planning, assessment of internal controls and Internal Financial Controls, review of operational processes, compliance with applicable laws and regulations, periodic reporting to the Audit Committee and undertaking of special audits, where required. The Framework also provides the Internal Auditors with necessary access to the Company's records, personnel and information required for carrying out their responsibilities and establishes appropriate reporting and confidentiality requirements.

Significant observations and recommendations arising from internal audits are discussed with the Audit Committee, which monitors the implementation of agreed corrective and remedial actions. The internal audit process is designed to support the continuous strengthening of the Company's internal control environment, safeguard its assets, enhance operational effectiveness and support the reliability of financial reporting.

The Internal Audit Framework is available on the Company's website.

Maintenance of Financial Records

Based on the reports submitted by the statutory auditors and internal auditors, the Board, in consultation with the Audit Committee and on the assurance provided by the management including CEO and CFO, is of the opinion that:

(a) The Company's financial records have been properly maintained and the financial statements present a true and fair view of the Company's operations and financial position; and

(b) The system of internal controls encompassing financial, operational, compliance and information technology controls along with the risk management systems maintained by the management, are adequate and effective as of the date of this report.

To ensure the effectiveness and adequacy of the internal audit function, the Audit Committee reviews the structure of the internal audit team and seniority of the official heading the department, reporting structure coverage, frequency of internal audit and approves the internal audit plans and the resources necessary for the function to be performed effectively.

However, the Board and management acknowledge that no system of internal controls can provide absolute assurance against the possibility of material errors, flawed judgements, human errors, losses, fraud or other irregularities.

Assurance from CEO and CFO

The Board has received assurance from CEO and CFO to ensure that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and the effectiveness of the Company's risk management and internal control systems are operating effectively in all material respects, based on the criteria for effective internal control established.

2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") of the Board has been constituted as per the requirements of Section 178 of the Act read with Regulation 19 of the SEBI Listing Regulations.

Composition, Meetings and Attendance

As of 31st March 2026, NRC comprised of 3 (three) members with all 3 (three) are Non-Executive Directors including 2 (two) being Independent Directors. The composition of NRC is as follows:

Mr. Vivek Gambhir
Chairman (Independent Director)

He brings over three decades of experience in strategy, business operations and consumer businesses. He has held leadership positions at Bain & Company, Godrej Group, boAt Lifestyle and Lightspeed India Ventures, with expertise in corporate strategy, business transformation and governance.

Ms. Namita Gupta
Member (Independent Director)

Mr. Ishaan Mittal
Member (Non-Executive Director)

During FY 2025–26, NRC met once on July 17, 2025. The attendance at the meeting was as under:

Name of the Director	July 17, 2025	% of Attendance
Mr. Vivek Gambhir	✓	100%
Ms. Namita Gupta	✓	100%
Mr. Ishaan Mittal	✓	100%
% of Attendance	100%	

✓ (Present) ✗ (Absent)

The Chief Human Resources Officer attends the meetings as and when required. The Company Secretary of the Company acts as the Secretary to the NRC. The minutes of the NRC meetings are placed before the meeting of the Board for noting. The Chairman of NRC was present at the previous AGM held on September 25, 2025.

Terms of reference

The Committee operates under a Board-approved Terms of Reference, aligned with the requirements of the Act and the SEBI Listing Regulations. The Terms of Reference provide the framework for the Committee's responsibilities relating to the appointment, remuneration and evaluation of Directors, KMP and Senior Management, succession planning, Board diversity and ESOP matters.

The terms of reference of the Committee, *inter alia*, cover the following key areas:

1. identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment;
2. recommendation of remuneration payable to Senior Management;
3. formulation and review of criteria for evaluation of the performance of the Board, its Committees and Directors;
4. review and satisfy itself that the plans are in place for orderly succession;
5. administration of the Company's ESOP plans and schemes, including approval of grants and allotments;
6. recommend suitable candidate for the role of Lead Independent Director; and
7. carrying out any other activities as may be delegated by the Board and functions required to be carried out as provided under the Act, the SEBI Listing Regulations or any other applicable law.

The detailed Terms of Reference are available on the Company's website.

Exit Interviews

The Company follows a structured exit interview process for employees comprising an exit questionnaire and in-person interaction, to understand the reasons for separation and capture feedback for organisational improvement.

For Directors, KMPs and Senior Management, a separate structured exit interview process has been approved by NRC, that facilitates collection of valuable feedback, support effective succession planning and enable the Company to identify opportunities for strengthening its governance and organisational practices.

3 Risk Management Committee

The Risk Management Committee ("RMC") has been constituted by the Board pursuant to Regulation 21 of the SEBI Listing Regulations to oversee and monitor the Company's risk management framework, policies and practices.

Composition, Meetings and Attendance

As of 31st March 2026, RMC comprised 4 (four) members with a majority being members of the Board including one Independent Director. The composition of the Committee is as follows:

Mr. Subramaniam Somasundaram
Chairman (Independent Director)

He is a qualified Chartered Accountant and Cost Accountant with extensive experience, *inter alia*, in finance, financial reporting, corporate governance, internal controls and risk oversight. He served as the Chief Financial Officer of Titan Company Limited for over a decade.

Mr. Varun Alagh
Member (Whole Time Director & CEO)

Mr. Ishaan Mittal
Member (Non-Executive Director)

Mr. Raman Preet Sohi
Member (CFO and Chief Risk Officer)

During FY 2025–26, the Committee met 2 (two) times on October 01, 2025 and March 26, 2026. The attendance at the meetings was as under:

Name of Member	October 01, 2025	March 26, 2026	% of Attendance
Mr. Subramaniam Somasundaram	✓	✓	100%
Mr. Varun Alagh	✓	✓	100%
Mr. Ishaan Mittal	✓	✓	100%
Mr. Raman Preet Sohi	✓	✓	100%
% of Attendance	100%	100%	

✓ (Present) ✗ (Absent)

The Company Secretary of the Company acts as the Secretary to RMC. The minutes of the RMC meetings are placed before the meeting of the Board for noting. The Chairman of RMC was present at the previous AGM of the Company held on September 25, 2025.

The Risk Management Policy is available on the Company's website.

Terms of reference

The Committee operates under a Board-approved Terms of Reference, aligned with the requirements of the SEBI Listing Regulations. The Terms of Reference provide the framework for the Committee's responsibilities relating to the formulation and oversight of the Company's risk management framework, identification and evaluation of business risks, and monitoring of the adequacy and effectiveness of risk management systems.

The terms of reference of the Committee, *inter alia*, cover the following key areas:

1. Formulation and review of risk management policy;
2. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
3. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
5. 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, including the SEBI Listing Regulations

The detailed Terms of Reference are available on the Company's website.

Key risks and mitigation strategies

The below table presents the Company's key risks, their potential impact and the key mitigation measures. The mitigation measures outlined below are indicative and are not exhaustive. While the Company continually strengthens its risk management framework, residual risks may remain.

Governance & Information Security Risks

Data Privacy and Cybersecurity Risk

Risk Description & Impact

The Company processes significant volumes of customer data, including personal information. This exposes it to risks relating to data breaches, cyberattacks and evolving data privacy regulations, including the Digital Personal Data Protection Act, 2023 (DPDP Act), which has a compliance timeline up to 2027. Cyber threats such as hacking, malware, ransomware and phishing continue to evolve. Any significant cybersecurity incident could lead to regulatory action, financial loss and reputational damage.

Mitigation Measures

- Moving towards a proactive, compliance-led cybersecurity framework.
- Conducting a phased assessment of DPDP Act requirements and implementing remediation measures.
- Strengthening continuous monitoring to detect threats such as fake apps, credential leaks and account takeovers.
- Enforcing secure access controls, including VPN-based access for systems handling personal data.
- Continuing regular patching, vulnerability assessments, penetration testing (VAPT) and optimisation of web application firewalls.

Legal & Regulatory Risks

Legal and Litigation Risk

Risk Description & Impact

The Company may face legal proceedings relating to product liability, contractual disputes with distributors and business partners, and operational compliance matters. These may result in financial loss, regulatory action or reputational impact.

Mitigation Measures

- Adopting a proactive legal enforcement approach, including timely initiation of litigation, to deter non-compliance by distributors and partners.
- Strengthening distributor and vendor contracts with clearer financial, operational and compliance safeguards to reduce ambiguity and dispute risk.
- Implementing a centralised compliance tracking tool across functions, including exclusive brand outlets, to improve monitoring and adherence to regulatory and internal requirements.

Intellectual Property (IP) Risk

Risk Description & Impact

The Company's brands are exposed to counterfeiting and infringement, including look-alike products sold under similar trademarks and unauthorised use of its domain names on third-party platforms. Such practices can dilute brand equity, mislead consumers and result in lost sales.

Mitigation Measures

- Pursuing enforcement action against counterfeiters and infringers through cease-and-desist notices.
- Working with third-party platforms to implement takedown measures against infringing listings.
- Comprehensive intellectual property governance covering creation, registration and protection of key assets.

Strategic & Market Risks

Macroeconomic and Market Volatility Risk

Risk Description & Impact

A slowdown in economic growth or moderation in consumer demand may adversely impact the Company's revenue and profitability. In addition, geopolitical developments and volatility in commodity and energy prices may lead to higher freight, packaging and other input costs, as well as supply chain disruptions, which could exert pressure on margins and operating performance.

Mitigation Measures

- Undertaking calibrated pricing and portfolio interventions to offset input cost inflation while balancing consumer demand and volume considerations.
- Managing input cost and supply volatility through strategic sourcing, vendor negotiations and diversification of supply arrangements.

Brand & Marketing Risks

Brand Investment and Consumer Engagement Risk

Risk Description & Impact

The Company's investments in marketing campaigns may not generate the intended results, including low return on investment, limited consumer reach, underperformance in business growth and weak product adoption.

Mitigation Measures

- Rebalancing media spend to drive demand creation, while optimising investments for more efficient demand capture and improved ROI.
- Strengthening consumer engagement through high-impact platforms and content-led initiatives to improve reach, relevance and brand engagement.

Consumer Preference and Brand Relevance Risk

Risk Description & Impact

The Company faces the risk of failing to identify and respond in a timely manner to evolving consumer preferences and trends within the beauty and personal care category.

Mitigation Measures

- Driving consumer-led innovation, including new product formats, to sustain brand relevance and adoption among emerging consumer cohorts.
- Reorienting the media mix complemented by targeted outreach to rebuild brand salience.

Distribution & Channel Risks

Credit Risk Exposure in Offline Distribution

Risk Description & Impact

The Company's offline distribution network is exposed to risks arising from changes in the channel partner base, concentration of sales and receivables across channel partners, and variations in partner credit profiles and operating capabilities. These factors may increase exposure to credit and recovery risks and could result in delayed collections or impairment of trade receivables.

Mitigation Measures

- Strengthening credit controls through defined credit terms, exposure limits and inventory-holding guardrails to support disciplined receivables management and contain credit risk.
- Enabling better inventory and working-capital management through digital ordering and focused secondary sales interventions to support faster inventory rotation.
- Maintaining structured engagement with channel partners to identify opportunities for continuous improvement across sales, supply chain and technology.

Supply Chain & Operational Risks

Excess Inventory and Obsolescence Risk

Risk Description & Impact

Inaccurate demand forecasting, slow-moving products and ineffective inventory planning may lead to excess inventory across the Company's warehouses and third-party manufacturing locations, resulting in higher working capital requirements and increased risk of inventory ageing and obsolescence.

Mitigation Measures

- Strengthening demand forecasting and supply planning processes to improve inventory visibility, accuracy and control.
- Enhancing structural inventory optimisation through lifecycle management, inventory norms and supply chain alignment to improve inventory productivity while maintaining service levels.

Supply Chain Disruption Risk

Risk Description & Impact

Disruptions across the Company's sourcing, manufacturing, warehousing and logistics network, including dependency on suppliers and logistics partners, capacity constraints or technology and operational disruptions, may impact product availability and service levels, resulting in lost sales opportunities and increased logistics costs.

Mitigation Measures

- Strengthening warehouse capabilities and inventory visibility through implementation and enhancement of warehouse management systems.
- Strengthening resilience across the supply chain through diversification of suppliers, warehousing and logistics partners, supported by alternate sourcing and capacity arrangements to mitigate disruption risks.

4 Stakeholders' Relationship Committee

The Stakeholders Relationship Committee ("SRC") has been constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

SRC is primarily responsible for resolving investor grievances, including issues related to non-receipt of dividends, annual reports and ensuring effective and timely redressal of shareholders' and investors' concerns.

Composition, Meetings and Attendance

As of 31st March 2026, SRC comprised 3 (three) members out of which 2 (two) are Independent Directors. The composition of SRC is as follows:

Ms. Namita Gupta
Chairperson (Independent Director)

She has extensive experience in technology and product management. She is the Founder and CEO of Airveda Technologies Private Limited and has previously served in leadership roles at Microsoft, Facebook, where she was Head – Games Partner Engineering, and Zomato as Chief Product Officer.

Mr. Subramaniam Somasundaram
Member (Independent Director)

Ms. Ghazal Alagh
Member (Whole Time Director)

During the FY 2025-26, the Committee met once on March 26, 2026. The attendance at the meeting was as under:

Name of the Director	March 26, 2026	% of Attendance
Ms. Namita Gupta	✓	100%
Mr. Subramaniam Somasundaram	✓	100%
Ms. Ghazal Alagh	✓	100%
% of Attendance	100%	

✓ (Present) ✗ (Absent)

The Company Secretary of the Company acts as the Secretary of the SRC. The minutes of the SRC meetings are placed before the meeting of the Board for noting. The Chairperson of SRC was present at the previous AGM held on September 25, 2025.

Terms of Reference

The Committee operates under a Board-approved Terms of Reference, aligned with the requirements of the SEBI Listing Regulations. The Terms of Reference provide the framework for the Committee's responsibilities relating to addressing and resolving stakeholder-related matters, particularly those concerning the rights, interests and services of shareholders and investors.

The terms of reference of the Committee, *inter alia*, cover the following key areas:

1. Resolving the grievances of the security holders of the listed entity including complaints related to non-receipt of annual report, non-receipt of declared dividends and general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for timely receipt of dividend annual reports/ statutory notices by the shareholders; and
5. Carrying out any other functions required to be carried out as contained in the SEBI Listing Regulations or any other applicable law.

The terms of reference is available on the Company's website.

The SRC plays a key role in ensuring that investor concerns are addressed in a timely, fair and transparent manner and that high standards of shareholder servicing are maintained consistently.

The Company, together with its Registrar and Share Transfer Agent ("RTA"), KFin Technologies Limited, is committed to providing efficient and prompt services to investors.

During FY 2025–26, the Company has not received any complaints from shareholders. Accordingly, there were no pending complaints as on 31st March 2026. SRC continues to monitor and strengthen its investor service processes to ensure timely redressal of grievances and maintain investor satisfaction.

Compliance Officer

As on 31st March 2026, Mr. Gaurav Pandit is serving as the Company Secretary & Compliance Officer of the Company having been appointed with effect from July 18, 2025. Prior to his appointment, Mr. Dhanraj Dagar served as the Company Secretary & Compliance Officer and ceased to hold the position with effect from July 11, 2025, pursuant to his resignation.

5 Corporate Social Responsibility Committee

Honasa is committed to integrating Corporate Social Responsibility ("CSR") into its business objectives and contributing to sustainable and inclusive development. The Company's CSR Policy provides the framework for undertaking socially beneficial initiatives focused on community welfare and sustainable development. The Policy applies across the Company's work centres and locations, as well as other areas in India where the Company operates.

The Company's CSR initiatives are focused on areas including environmental sustainability, promotion of healthcare, including preventive healthcare, eradication of hunger, poverty and malnutrition and promotion of education.

The CSR Committee of the Company has been constituted in accordance with the provisions of Section 135 of the Act and the rules made thereunder. The CSR Committee is responsible for formulating and recommending the CSR Policy to the Board, identifying and recommending the CSR activities to be undertaken in accordance with Schedule VII of the Act, recommending the amount of expenditure to be incurred on such activities and monitoring the implementation of the CSR Policy from time to time.

Composition, Meetings and Attendance

As on 31st March 2026, the CSR Committee comprised 3 (three) members including 1 (one) Independent Director. The composition of the Committee is as follows:

Ms. Ghazal Alagh
Chairperson (Whole Time Director)

As the Company's Chief Innovation Officer, she contributes deep expertise in product innovation, consumer-centric brand development and entrepreneurship, strengthening the Committee's oversight of the Company's CSR and sustainability initiatives.

Mr. Varun Alagh
Member (Whole Time Director & CEO)

Ms. Namita Gupta
Member (Independent Director)

During the FY 2025-26, the Committee met once on February 12, 2026. The attendance at the meeting was as under:

Name of the Director	February 12, 2026	% of Attendance
Ms. Ghazal Alagh	✓	100%
Mr. Varun Alagh	✓	100%
Ms. Namita Gupta	✓	100%
% of Attendance	100%	

✓ (Present) ⊗ (Absent)

The Company Secretary of the Company acts as the Secretary of the CSR Committee. The minutes of the CSR meetings are placed before the meeting of the Board for noting. The Chairperson of the CSR Committee was present at the previous AGM of the Company held on September 25, 2025.

The CSR Policy is available on the Company's website.

Terms of Reference

The Committee operates under a Board-approved Terms of Reference, aligned with the requirements of the Act. The Terms of Reference provide the framework for the Committee's responsibilities relating to formulation, implementation, monitoring and review of the Company's CSR initiatives and expenditure.

The terms of reference of the Committee, *inter alia*, cover the following key areas:

1. Recommend the amount of expenditure to be incurred on the activities undertaken along with Annual Action Plan in pursuance of CSR Policy;
2. Monitor the CSR policy of the Company and its implementation from time to time;
3. Review the performance of the Company in the area of CSR;
4. Review the Company's disclosure on CSR matters including the annual report on CSR; and
5. Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board and/or as may be required under applicable law.

The terms of reference is available on the Company's website.

Disclosure in relation to a recommendation made by any Committee

During FY 2025-26, there were no such instances wherein the Board had not accepted the recommendations made by any committee of the Board.

Other Board Committee Updates

1 IPO Committee

The IPO Committee was constituted for the purposes of approving and undertaking various activities in relation to the IPO of the Company. The Board at its meeting held on November 12, 2025, dissolved the IPO Committee of the Company with immediate effect. Consequently, the below members of the Committee relieved of their duties as members of the IPO Committee:

- **Mr. Varun Alagh** – Chairman (Whole Time Director & CEO)
- **Mr. Ishaan Mittal** – Member (Non-Executive Director)
- **Mr. Vivek Gambhir** – Member (Independent Director)

No meeting of the IPO Committee was held from April 1, 2025, until the date of its dissolution.

2 ESG and Sustainability Committee

The Board, at its meeting held on August 13, 2026, constituted the ESG and Sustainability Committee to guide the creation of the ESG goals, ambitions and strategy of the Company, review ESG performance and progress towards achieving targets, review sustainability-related policies and action plans, and oversee initiatives to strengthen the Company's ESG and sustainability practices.

The composition of the Committee is as follows:

- **Ms. Ghazal Alagh** – Chairperson (Whole Time Director)
- **Mr. Varun Alagh** – Member (Whole Time Director & CEO)
- **Ms. Namita Gupta** – Member (Independent Director)

The terms of reference of ESG & Sustainability Committee is available on the Company's website.

Disclosures

Policy for determining Material Subsidiaries

The Company has formulated a Policy for determining 'Material' Subsidiaries in accordance with Regulation 16 of the SEBI Listing Regulations and the same is available on the Company's website.

Subsidiary Companies

The Board and the Audit Committee exercise oversight over the subsidiaries through periodic review of their financial and operational performance and significant business matters.

The oversight framework, *inter alia*, includes the following:

a) Financial Statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Audit Committee.

b) Minutes of the board meetings of unlisted subsidiary companies are regularly placed before the Board.

c) A statement of all significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Board.

d) Reviewing of the utilisation of loans and/ or advances from/ investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments by Audit Committee.

The annual financial statements of the Company's subsidiary companies for the financial year 2025-26 are available on the Company's website.

Policy for Determination of Materiality of Events and Information

The Company has adopted a Policy for Determination of Materiality of Events and Information in accordance with Regulation 30 of the SEBI Listing Regulations and the same is available on the Company's website.

The Policy establishes a structured framework for identifying, evaluating and disclosing material events and information to ensure timely, accurate and consistent disclosures to the stock exchanges.

The Policy, *inter alia*, sets out:

- Categories of events/information requiring mandatory disclosure and those requiring assessment based on the materiality threshold;
- Qualitative and quantitative criteria for determination of materiality;
- Timelines for disclosure and subsequent updates, wherever applicable;
- Authorised Key Managerial Personnel responsible for determining materiality and making disclosures; and
- Guiding principles and procedures for identification, approval and dissemination of material events/information.

Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions ("RPT Policy"), which specifies the procedures for entering into related party transactions.

The Company has established a robust framework for identification and monitoring of Related Party Transactions. Directors and Key Managerial Personnel submit disclosures of their interests and concerns, annually and as an when any change occurs, in accordance with the Act and SEBI Listing Regulations.

Based on these disclosures, the Company identifies and maintains an updated database of related parties to facilitate identification, monitoring and reporting of Related Party Transactions.

The Policy on Materiality of and dealing with Related Party Transactions is available on the Company's website.

Disclosure of Transactions with Related Parties

All transactions entered into by the Company with its related parties during FY 2025-26 were in the ordinary course of business and on an arm's length basis and accordingly, did not attract the provisions of Section 188 of the Act. Prior approval of the Audit Committee was obtained for transactions with Related Parties, including transactions exempt from the approval requirements such as transactions with wholly owned subsidiaries. Quarterly updates on transactions entered into with related parties were presented to the Audit Committee for its review.

During the FY 2025-26, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors, their relatives, Management, Subsidiaries, or other related parties that could potentially conflict with the interests of the Company as a whole. Further, details of related party transactions are provided in Note No. 34 of the standalone financial statements, which forms part of the Annual Report.

In addition, in compliance with the SEBI Listing Regulations, the Company adheres to Indian Accounting Standards on related party disclosures. The Company regularly submits disclosures of related party transactions to the Stock Exchanges in the prescribed format.

Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under Section 133 of the Act, along with other relevant provisions of the Act.

Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report.

Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure

The Company has formulated and adopted the Code of Conduct for Prevention of Insider Trading ("Code of Conduct") and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI"), which includes the Policy for determination of 'Legitimate Purpose' in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations").

The Company's Code of Conduct is designed to regulate, monitor and ensure the reporting of trading activities by Designated Persons and their immediate relatives, thereby achieving complete adherence with the SEBI PIT Regulations. It aims to uphold the highest ethical standards in the trading of the Company's securities by those to whom it applies. The Code lays down detailed guidelines on procedures to be followed and disclosures to be made when dealing with the Company's securities, while also highlighting the consequences of any violations.

As part of its commitment to strong governance, the Company has implemented stricter internal controls under the SEBI PIT Regulations, requiring pre-clearance for every trade proposed by a Designated Person or their Immediate Relative, irrespective of its value or quantum.

The Chief Financial Officer acts as the Chief Investor Relations Officer ("CIRO") for the purposes of the SEBI PIT Regulations and is responsible for ensuring fair disclosure of UPSI in accordance with the Code.

The Company has also set up a mechanism to monitor trading in equity shares of the Company by designated persons and their immediate relatives.

The Audit Committee annually reviews the status of compliance with Regulation 9A(4) of the SEBI PIT Regulations, including the adequacy and effectiveness of the Company's internal controls and processes for prevention of insider trading and handling of UPSI.

The Company follows a zero-tolerance approach towards violations of the SEBI PIT Regulations and the Code. Any non-compliance by a Designated Person or his/her Immediate Relative is dealt with in accordance with the Code and reviewed by the Audit Committee and monetary penalties, wherever imposed, are remitted to the SEBI Investor Protection and Education Fund.

As part of its compliance culture, the Company periodically circulates the informative emails on prevention of insider trading, including communication on trading window closures, Do's and Don'ts, disclosure requirements, penalty matrix and other compliance reminders to reinforce adherence to the insider trading framework.

The Code of Practices and Procedures for Fair Disclosure of UPSI and Company's Code of Conduct are available on the Company's website.

Whistle-blower Policy/Vigil Mechanism

The Company is committed to promoting a culture of integrity, transparency and ethical conduct and has established a Vigil Mechanism through its Whistle Blower Policy in accordance with the applicable provisions of the Act and the SEBI Listing Regulations. The mechanism enables employees and Directors to report genuine concerns relating to unethical behaviour, actual or suspected fraud, financial irregularities, accounting-related concerns, violations of the Company's Code of Conduct, including insider trading violations and instances of leak or suspected leak of UPSI. The Vigil Mechanism provides adequate safeguards against victimisation or retaliation and provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

Based on the recommendation of the Audit Committee, the Board, at its meeting held on August 13, 2026, amended the Whistle Blower Policy to further strengthen the Company's whistle-blower framework. The revised Policy expands its scope beyond employees and Directors to include all stakeholders including vendors, consultants, customers and other relevant stakeholders. It provides for reporting of concerns relating to, *inter alia*, fraud and misappropriation of the Company's assets, financial irregularities, accounting-related concerns, conflicts of interest, breaches of Company policies, corruption, bribery and money laundering, violations relating to leak or suspected leak of UPSI, unlawful criminal or civil acts and abuse of authority.

The revised Policy also establishes a structured governance framework by designating the CFO as the Vigilance Officer responsible for receiving complaints and conducting preliminary review. The Chairperson of the Audit Committee, designated as the Ombudsman, provides independent oversight and handles escalated, sensitive or significant matters. This framework facilitates the efficient handling of routine complaints while ensuring appropriate independent oversight of critical and sensitive matters.

The Audit Committee oversees the functioning of the Vigil Mechanism and reviews the complaints received and the actions taken thereon on a quarterly basis. During FY 2025–26, one complaint was received on March 30, 2026. The complaint was investigated by an independent third-party professional and appropriate action was taken based on the findings.

The Vigilance Officer can be approached for complaints through wb@honasa.in or by post at the Company's Corporate Office. The Ombudsman can be directly approached at audit.chairperson@mamaearth.in for escalated, sensitive or significant matters. No person was denied access to the Chairperson of the Audit Committee during the period under review.

The Whistle Blower Policy is available on the Company's website.

Means of Communication

The Company recognises the importance of maintaining transparent two-way communication with its members, ensuring balanced reporting of results and progress. Timely and comprehensive disclosure of information regarding the Company's financial position and performance is a key aspect of its corporate governance commitment.

The Company follows a robust communication process with shareholders, investors and stakeholders through multiple channels, including dissemination of information on the Stock Exchanges' websites, press releases, Annual Reports and by uploading relevant updates on the Company's own website.

Financial Results	The Company disseminates its financial results in a timely and transparent manner in accordance with the requirements of the SEBI Listing Regulations. The unaudited financial results for each of the first three quarters are approved and disclosed within 45 (forty-five) days from the end of the respective quarter, while the audited annual financial results are approved and disclosed within 60 (sixty) days from the end of the financial year. Upon approval by the Board of Directors, the financial results are promptly intimated to the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) within the prescribed timelines and are simultaneously published in prominent newspapers i.e. Financial Express (English Language National Daily Newspaper) and Jansatta (Local language newspaper of the region in which the registered office is situated). The results are also made available on the Company's website for the benefit of all stakeholders.
Email Communication to Shareholders	The Company enhanced its investor communication framework by introducing the practice of emailing quarterly financial results along with press release investor presentation, to all registered shareholders, reinforcing its commitment to transparency and shareholder engagement.
Corporate Announcements of Material events	The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Para 'A' and Para 'B' of Schedule III of the SEBI Listing Regulations including material information having a bearing on the performance/operations of the Company and other price sensitive information. All information is filed electronically on the online portal of BSE Limited – Corporate Compliance & Listing Centre (BSE Listing Centre) and on the online portal of National Stock Exchange of India Limited – NSE's Electronic Application Processing System (NEAPS).
Analyst/ Institutional Investors Presentations	The Company hosts calls with institutional investors/analysts post-quarterly/half-yearly and yearly financial results are announced. Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures, which are required to be disseminated, are filed electronically with the Stock Exchanges as well as uploaded on the Company's website. Additionally, the Company uploads transcripts and audio-recordings of post-earnings/quarterly investor calls on its website.
Investor Day	The Company hosted its first ever Investor Day on June 10, 2026, in Mumbai, providing deeper insights into the Company's business, long-term growth strategy and operational priorities. The presentation made at Investor Day was submitted with stock exchanges and uploaded on the Company's website.
Press Releases	The Company issues press releases on significant developments (other than quarterly), which are submitted to the Stock Exchanges and simultaneously uploaded on the Company's website.
Website	The Company has a dedicated 'Investor Relations' section on its website, which serves as a comprehensive repository of information for investors and other stakeholders. The section provides access to financial results, Annual Reports, statutory policies, the composition of the Board and its Committees, the Memorandum and Articles of Association, shareholding pattern, annual returns, Employee Benefit Scheme documents, stock exchange disclosures, investor contact details, and other statutory and regulatory disclosures, enabling transparent and timely access to key corporate information.

General Shareholder Information

Corporate Identity Number

L74999DL2016PLC306016

Registered Office Address

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

Financial Calendar

The Company's financial year covers the period from 1st April to 31st March every year. The tentative calendar for approval of quarterly financial results are as under:

Quarter ended on	Date of Board Meeting
30th June 2026	Second week of August 2026
30th September 2026	First week of November 2026
31st December 2026	Second week of February 2027
31st March 2027	Third week of May 2027

Trading window closure for financial results

From the 1st day from close of every quarter till forty-eight (48) hours after submission of financial results with the Stock Exchanges.

Listing on Stock Exchanges

The Equity Shares of the Company are listed with the following stock exchanges:

Name and Address of Stock Exchange	ISIN	Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	INE0J5401028	544014
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		HONASA

The Company has paid the requisite annual listing fees to the NSE and BSE.

Annual General Meeting

Ministry of Corporate Affairs ("MCA") vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard latest being 03/2025 dated September 22, 2025, permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue.

10th AGM for FY 2025–26

Day and Date	Time (IST)	Mode	Deemed venue
Monday, September 28, 2026	04:00 PM	Video Conferencing or Other Audio Visual Means	Registered office

Dividend

In accordance with the Dividend Distribution Policy of the Company, the Board recommended a maiden final dividend of ₹ 3/- per equity share (30% of face value of ₹ 10/- each), for FY 2025-26, subject to the approval of the shareholders at the ensuing AGM. The policy is available on the Company's website.

Record date: August 28, 2026

The said dividend, if declared by the shareholders of the Company at the ensuing AGM, shall be paid only through electronic mode on or before October 27, 2026.

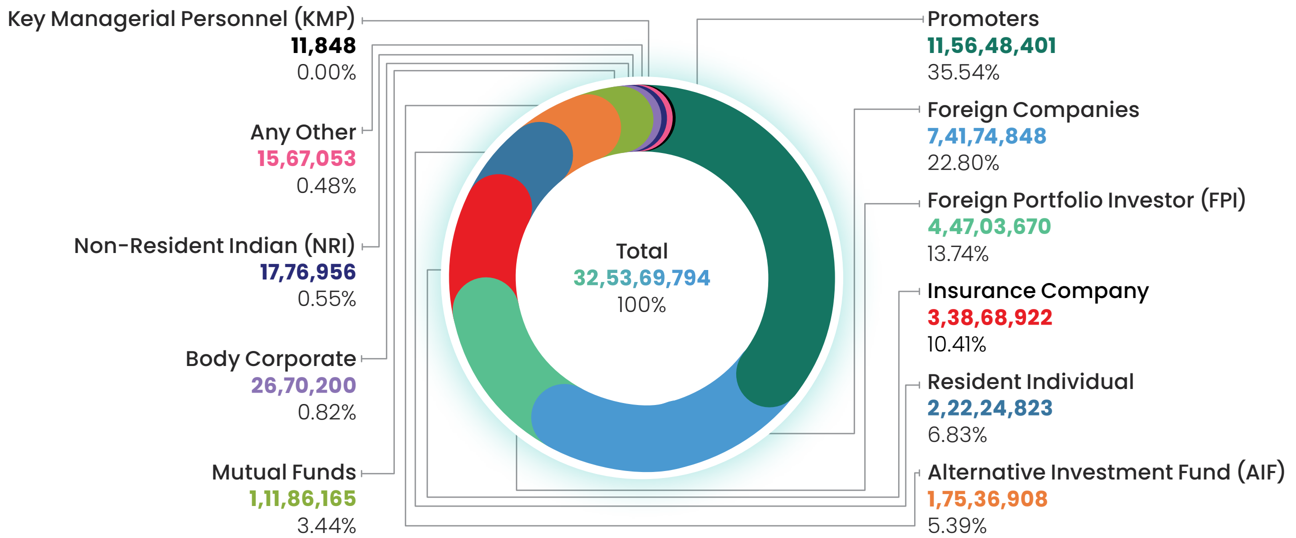
Distribution of Shareholding as on 31st March 2026

Number of Shares held	Members		Equity Shares held	
	Number	% to total	Number	% to total
1-5000	77,614	99.28	1,58,63,192	4.88
5001-10000	260	0.33	18,78,946	0.58
10001-20000	119	0.15	17,22,421	0.53
20001-30000	35	0.04	8,46,882	0.26
30001-40000	20	0.03	6,85,419	0.21
40001-50000	18	0.02	8,12,686	0.25
50001-100000	34	0.04	23,55,180	0.72
100001 & Above	87	0.11	30,12,05,068	92.57
Total	**78,187**	**100.00**	**32,53,69,794**	**100.00**

Category-wise shareholding as of 31st March 2026

Category	No. of Shares	% to total
Promoters	11,56,48,401	35.54
Foreign Companies	7,41,74,848	22.80
Foreign Portfolio Investor (FPI)	4,47,03,670	13.74
Insurance Company	3,38,68,922	10.41
Resident Individual	2,22,24,823	6.83
Alternative Investment Fund (AIF)	1,75,36,908	5.39
Mutual Funds	1,11,86,165	3.44
Body Corporate	26,70,200	0.82
Non-Resident Indian (NRI)	17,76,956	0.55
Any Other (Clearing Members, Employees, HUF, Trusts etc)	15,67,053	0.48
Key Managerial Personnel (KMP)	11,848	0.00
Total	32,53,69,794	100.00

Category-wise shareholding as of 31st March 2026



Members holding more than 1% of the shares including top 10 shareholders as on 31st March 2026

The details of Public Members holding more than 1% (PAN-based) of the equity including top 10 shareholders as on 31st March 2026 are as follows:

Name of the Members	% of Shareholding	No. of Shares Held
Peak XV Partners Investments VI	14.83	4,82,63,012
ICICI Prudential Life Insurance Company Limited	8.44	2,74,67,996
Sequoia Capital Global Growth Fund III - U.S./India	3.45	1,12,28,493
Sofina Ventures SA	3.29	1,07,15,978
Stellaris Venture Partners India I	2.12	68,94,203
Franklin Templeton Investment Funds - Templeton AS	1.90	61,69,484
Iroha Emerging India Fund-I	1.86	60,36,681
Arohi Emerging India Master Fund	1.76	57,20,054
Mirae Asset Nifty 500 Multicap 50:25:25 ETF	1.42	46,06,119
MAP Institutional LLC - MAP Institutional LLC 804	1.41	45,85,588
HDFC Life Insurance Company Limited	1.29	42,07,439

The quarterly shareholding pattern of the Company filed with stock exchanges is available on the Company's website.

Paid Up Share Capital

AS ON March 31, 2025	+	ADDITION DURING THE YEAR	=	AS ON March 31, 2026
₹ 325,18,36,100/-		₹ 18,61,840/- (ESOPs allotment)		₹ 325,36,97,940/-

Share Transfer System

As mandated by SEBI, equity shares of the Company can be transferred/traded only in dematerialised form. Further, in accordance with the SEBI Master Circular dated February 06, 2026, listed companies are required to issue securities only in dematerialised form while processing investor service requests such as issue of duplicate share certificates, claim from the Unclaimed Suspense Account, renewal/exchange, endorsement, sub-division/splitting, consolidation of share certificates/folios, transmission and transposition.

All the equity shares of the Company were held in dematerialised form and the Company did not have any shares available in the physical mode.

Dematerialisation of Shares and Liquidity

100% of the paid-up equity share capital of Company is held in a dematerialised form with NSDL and CDSL as on 31st March 2026.

Details of equity shares of the Company as on 31st March 2026 is given below:

Details	% of Shareholding	No. of Shares Held
Listed Capital	100.00	32,53,69,794
Held in Dematerialised form	100.00	32,53,69,794
National Securities Depository Limited	62.06	20,19,35,864
Central Depository Services (India) Limited	37.94	12,34,33,930
Held in physical form	0	0
Total	**100.00**	**32,53,69,794**

The equity shares of the Company are actively traded on NSE and BSE in dematerialised form, ensuring liquidity and ease of trading for shareholders.

Investor Services and Grievance Redressal

Registrar and Share Transfer Agents

KFin Technologies Limited serves as the Company's Registrar and Share Transfer Agent ("RTA").

Investor Services Web-Based Query Redressal System

Members are encouraged to avail the facility provided by the RTA, for the resolution of queries or grievances. Investors may submit their concerns by visiting the RTA's investor service portal.

Upon submission, a reference number will be generated, which can be used to track the status and response to the query through the "Track your query" option available on the left-hand corner of the above website. Investors may also submit follow-up queries, if required, until a satisfactory resolution is received.

Kprism Service by KFintech

Members are kindly requested to note that the RTA has provided an online platform offering a wide range of services. Members can register once on the Kprism portal to access and manage their accounts conveniently.

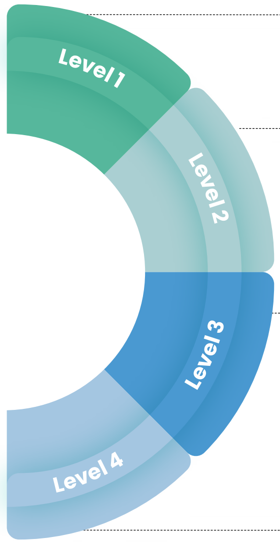
Services available on the Kprism portal include:

- Viewing consolidated portfolio serviced by the RTA
- Checking dividend status
- Requesting change of address
- Updating bank mandate details
- Downloading Annual Reports and standard forms
- Tracking upcoming General Meetings and dividend disbursement schedules

Dispute Resolution Mechanism

In order to enhance stakeholder confidence and in line with the good corporate governance practices, the Company has adopted Investor Grievance Redressal Policy to provide efficient services to the investors and to address and resolve their grievances in a timely and effective manner, prescribing timelines within which investors may expect a response and resolution.

The escalation matrix for investor grievances is as follows:



Level 1

KFin Technologies Limited, Registrar and Share Transfer Agent ("RTA") or the **Company Secretary & Compliance Officer** of the Company

Level 2

Stakeholders' Relationship Committee

Level 3

SEBI Complaints Redress System ("SCORES")

In the event an investor is not satisfied with the resolution provided by the Company, the grievance may be lodged through SCORES, SEBI's centralised web-based grievance redressal system for filing, monitoring & tracking investor complaints against listed companies. The same can be accessed at SCORES Portal.

Level 4

Online Dispute Resolution ("ODR") Portal

Where the investor remains dissatisfied after exhausting the grievance redressal mechanism up to Level 3, the dispute may be referred to the ODR Portal in accordance with the SEBI framework. The investor shall ensure that the dispute is not pending before any arbitral process, court, tribunal or consumer forum and is otherwise eligible for resolution through ODR. The same can be accessed at ODR Portal

The Investor Grievance Redressal Policy is available on the Company's website.

The Company and its RTA continuously monitor investor complaints received through the BSE Listing Centre, NEAPS, SCORES and the ODR Portal, and endeavour to resolve such complaints and disputes within the prescribed timelines.

Communication Details

Corporate Governance, Dividend & other Secretarial Matters	**Mr. Gaurav Pandit,** Company Secretary & Compliance Officer cs@honasa.in +91-7042427287	**Corporate Office:** 10th and 11th Floor, Capital Cyberscape, Sector - 59, Gurugram - 122102, Haryana
Financial statements related	**Mr. Raman Preet Sohi,** Chief Financial Officer cfo@honasa.in +91 124 4288 351	**Corporate Office:** 10th and 11th Floor, Capital Cyberscape, Sector - 59, Gurugram - 122102, Haryana
Investor Relations	**Mr. Mohit Shankar Srivastava,** EVP - Strategic Projects investorrelations@honasa.in +91 96548 59073	**Corporate Office:** 10th and 11th Floor, Capital Cyberscape, Sector - 59, Gurugram - 122102, Haryana
Registrar and Share Transfer Agent	**Mr. Purushotham Mansha Amin,** Manager - KFin Technologies Limited www.kfintech.com einward.ris@kfintech.com +91 22 4617 0911/1800 3094 001	**Registered office:** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, Maharashtra – 400070 **Correspondence Address:** Selenium Building, Tower B, Plot Nos. 31 & 32 | Financial District Nanakramguda, Serilingampally Mandal, Hyderabad - 500032

Senior Management

Senior Management as on closure of FY 2025-26, including shareholding

S. No.	Name	Designation	No. of Equity Shares	% of shareholding
1.	Mr. Raman Preet Sohi	Chief Financial Officer	11,848	0.00
2.	Mr. Karan Bajwa	Chief Human Resources Officer	12,095	0.00
3.	Mr. Avinash Dhagat	Chief Supply Chain Officer	42,469	0.01
4.	Mr. Yatish Bhargava	Chief Business Officer	1,750	0.00
5.	Mr. Gaurav Pandit	Company Secretary & Compliance Officer	0	0.00

Changes in Senior Management during FY 2025-26

S. No.	Name	Designation	Effective Date of Change	Type of Change
1.	Mr. Karan Bajwa	Chief Human Resources Officer	April 24, 2025	Change of Designation
2.	Mr. Avinash Dhagat	Chief Supply Chain Officer	April 24, 2025	Change of Designation
3.	Mr. Yatish Bhargava	Chief Business Officer	June 17, 2025	Appointment
4.	Ms. Anuja Mishra	Chief Marketing Officer	July 1, 2025	Cessation
5.	Mr. Dhanraj Dagar	Company Secretary & Compliance Officer	July 11, 2025	Cessation
6.	Mr. Gaurav Pandit	Company Secretary & Compliance Officer	July 18, 2025	Appointment

Changes in Senior Management post FY 2025-26

S. No.	Name	Designation	Effective Date of Change	Type of Change
1.	Mr. Yatish Bhargava	Chief Business Officer	May 16, 2026	Cessation
2.	Mr. Vipul Maheshwari	EVP – Product and Data	May 21, 2026	Designated as Senior Management
3.	Mr. Nishchay Bahl	SVP – Offline Revenue	May 21, 2026	
4.	Mr. Nilesh Kotalwar	SVP – Online Revenue	May 21, 2026	

Code of Conduct for Board of Directors and Senior Management Team

The Company has adopted a Code of Conduct for its Board of Directors and Senior Management Team, which serves as the foundation of the Company's ethical and governance framework. The Code requires Directors and Senior Management Personnel to uphold the highest standards of integrity, honesty, fairness and professionalism in the discharge of their duties and to act in the best interests of the Company and its stakeholders.

The Code further requires Directors and Senior Management to avoid situations where a conflict of interest might occur or appear to occur and to disclose any interest that may conflict with the business of the Company.

Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all Directors and Senior Management Personnel have affirmed compliance with the Code during FY 2025-26. A declaration to this effect, from the Chairman, CEO & Whole-time Director is annexed as **"Annexure A"**.

The Code of Conduct is available on the Company's website.

General Body Meetings

Details of previous 3 (three) Annual General Meetings and Special Resolutions passed

Year	Date	Time	Location	Special Resolution Passed
2023	September 25, 2023	10:00 am	Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka, New Delhi - 110075	No Special Resolution
2024	August 29, 2024	10:30 am	Through Video Conferencing/ Other Audio Video Means	No Special Resolution
2025	September 25, 2025	11:00 am	Deemed Venue: Unit No. 404, 4th Floor, City Centre, Plot No. 05, Sector - 12, Dwarka, New Delhi - 110075	Re-appointment of Mr. Vivek Gambhir as an Independent Director for a further term of 5 Years

Extraordinary General Meeting

No extraordinary general meeting of the members was held during FY 2025-26.

Details of special resolutions put through postal ballot

The Company has not conducted any postal ballot during FY 2025-26.

There is no immediate proposal for passing any resolution through postal ballot. Further, none of the businesses proposed to be transacted at the forthcoming 10th Annual General Meeting require passing of a resolution through postal ballot in terms of the applicable provisions of the Act and the rules made thereunder or the SEBI Listing Regulations.

Other Disclosures

Shareholding of Directors and Key Managerial Personnel of the Company as on 31st March 2026

Name	Designation	No. of Equity Shares	% of Shareholding
Mr. Varun Alagh	Chairman, CEO & Whole Time Director	10,55,82,701	32.45
Ms. Ghazal Alagh	Whole Time Director	99,64,700	3.06
Mr. Subramaniam Somasundaram	Independent Director	0	0
Mr. Vivek Gambhir	Independent Director	0	0
Ms. Namita Gupta	Independent Director	0	0
Mr. Ishaan Mittal	Non-Executive Director	7,04,650	0.22
Mr. Raman Preet Sohi	Chief Financial Officer	11,848	0
Mr. Gaurav Pandit	Company Secretary and Compliance Officer	0	0

Total fees for all services paid to the Statutory Auditors by the Company for FY 2025-26

Total fees paid by the Company for FY 2025-26 on a consolidated basis, to the Statutory Auditor viz. S.R. Batliboi & Associates LLP, Chartered Accountants, Firm Registration No. 101049W/E300004 and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

Particulars	Amount (₹ In Million)
Statutory Audit fee *(Including quarterly audit/ limited review)*	13.00
Fee for other services *(certification for utilisation of IPO proceeds, reconciliation report of sales and APR)*	1.13
Out of Pocket Expenses	0.89
Total	**15.02**

During FY 2025-26, no amount was paid by any Subsidiary Company to the Statutory Auditors.

Compliance with Non-mandatory Requirements

The Company has complied with the following discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations:

- **Unmodified Audit Opinion**

  During FY 2025-26, there were no audit qualifications in the Company's financial statements. The Statutory Auditors have issued an unmodified opinion, reflecting the Company's continued commitment to maintaining high standards of financial reporting and governance.

- **Reporting of Internal Auditor:**

  BDO India, Internal Auditor of the Company reports to the Audit Committee of the Company. Representative of BDO India also participates in the meetings of the Audit Committee of the Company and also shares their findings on periodic basis with Audit Committee along with the mitigation plan provided by management.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act)

The Company is committed to fostering a safe, respectful and inclusive workplace where every employee is treated with dignity and respect. The Company has zero tolerance for sexual harassment and has adopted a Policy on Prevention of Sexual Harassment (POSH Policy) which is available on the Company's intranet.

The POSH Policy aims to prevent, prohibit and redress incidents of sexual harassment and is applicable to all employees, including permanent, temporary, contractual and trainee personnel.

The Company has constituted an Internal Committee (IC) in accordance with the provisions of the POSH Act to receive, inquire into and redress complaints of sexual harassment at the workplace.

Composition of the Internal Committee:

Sl. No.	Details of member of IC	Name
1.	Chairperson (F)	Ankita Sharma
2.	Member	Lily Jalan
3.	Member	Avinash Dhagat
4.	Member	Aanchal Bhatia
5.	Member	Malav Shah
6.	External Member (Advocate)	Shikha Kataria

The Company conducts regular awareness and sensitisation sessions to promote a respectful and inclusive workplace. In addition, all new joiners undergo mandatory POSH training as part of the induction programme, followed by an assessment to ensure awareness of the Company's POSH Policy, reporting mechanisms and grievance redressal process.

The details of complaints under the POSH Act for FY 2025–26 are as follows:

(a) Number of complaints filed during the financial year: 10

(b) Number of complaints disposed of during the financial year: 10

(c) Number of complaints pending as on end of the financial year: 0

Particulars of loans/advances/investments pursuant to Para A of Schedule V of the SEBI Listing Regulations

The particulars of loans/advances/investments as required to be disclosed pursuant to Para A of Schedule V of the SEBI Listing Regulations are furnished in the financial statements which forms part of the Annual Report.

Loans and Advances in the nature of loans to firms/ companies in which Directors are interested

During the FY 2025-26, the Company and its Subsidiaries have not provided loan and advance in the nature of loans to Firms/ companies in which Director are interested.

Compliance Certificate

The Company has complied with the conditions of Corporate Governance as stipulated under regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2), as well as Para C, D and E of Schedule V to the SEBI Listing Regulations for the FY 2025-26. A certificate confirming compliance issued by Practicing Company Secretary is annexed as **"Annexure B"**.

During the last three financial years, there were no instances of non-compliance by the Company. Further, no penalties, strictures, or adverse observations were imposed by the Stock Exchanges, the Securities and Exchange Board of India (SEBI), or any other statutory authority on any matter relating to the capital markets.

This reflects the Company's commitment to maintaining high standards of compliance and corporate governance.

CEO/CFO Certification

CEO & Whole Time Director and CFO of the Company have jointly submitted the annual certification on financial reporting and internal controls to the Board, in accordance with Regulation 17(8) of the SEBI Listing Regulations. CEO/CFO certificate is annexed as **"Annexure C"**.

Additionally, they have provided quarterly certifications on the financial results while presenting the same to the Board, in compliance with regulation 33(2) of the SEBI Listing Regulations.

Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March 2026 have been debarred or disqualified from being appointed or continuing as Director of companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority, is enclosed as **"Annexure D"**.

Compliance Management

The Company has implemented a technology-enabled compliance management system to monitor compliance with applicable laws and regulations. The system assigns compliance obligations to designated owners, provides automated reminders for timely completion, and enables periodic monitoring of compliance status.

A compliance certificate confirming compliance with applicable laws and regulations is placed before the Board of Directors on a quarterly basis for noting.

Equitable Treatment of Shareholders

The Company is committed to ensuring equitable treatment of all shareholders in accordance with the Act, the SEBI Listing Regulations and other applicable laws.

During FY 2025-26:

- No disproportionate voting rights were granted to the promoters or controlling shareholders.
- The Company did not undertake any transaction that was prejudicial to the interests of minority shareholders.
- All shareholders are treated equitably through a transparent governance framework that includes uniform voting rights attached to equity shares, effective investor grievance redressal mechanism overseen by the Stakeholders' Relationship Committee and equal access to information through stock exchange filings and the Company's website.

Disclosure with respect to demat suspense account/ unclaimed suspense account

As on 31st March 2026, no shares of the Company are lying in the suspense account. Accordingly, no disclosure is required under Part F of Schedule V of the SEBI Listing Regulations.

Employee Engagement and Wellbeing

The Company places strong emphasis on employee engagement, wellbeing and fostering an inclusive and supportive workplace culture through a range of initiatives, including:

Voice & Feedback

The Company promotes an open and transparent workplace culture through structured employee listening mechanisms, including lifecycle surveys, "Pitstop" conversations, engagement surveys and direct interactions with leadership. These platforms provide employees with opportunities to share their perspectives on their workplace experience, development, leadership and organisational environment.

Grievance Redressal

The Company provides multiple channels for employees to raise concerns, seek assistance and provide feedback, including engagement with HR Business Partners, monthly town halls with the CEO, the POSH mechanism and an AI-enabled platform facilitating anonymous submissions. Employee concerns and feedback are reviewed and addressed through appropriate processes and measures.

Period Support Policy

The Company recognises the challenges associated with menstruation and provides workplace flexibility to support women employees during their menstrual cycle. All women employees are eligible to avail one day of work from home each month, enabling them to manage their work responsibilities while working from the comfort of their home.

Awards and Recognition

The Company is committed to recognising and celebrating employees who demonstrate exceptional performance, embody its values and contribute meaningfully to the organisation's success. During the year, the Company continued to strengthen its culture of appreciation and recognition through a diverse range of employee recognition programmes covering individual and team achievements, business impact, values and culture, performance, quick wins, peer recognition and tenure milestones. These initiatives include the Honasa Heroes Award, Avengers Award, Scotch Award, Living the Code, The ACE Award, Journey Awards, Value Champion, Momentum Maker, SPOT Award and Hall of Fame Award. Collectively, these programmes celebrate employees and teams who bring the Company's values to life, deliver measurable business impact, demonstrate sustained excellence and contribute to a collaborative, high-performance culture.

Healthcare and wellness system

The Company supports employee health and wellbeing through comprehensive health and personal accident insurance coverage, complemented by various wellness initiatives, including yoga sessions, Zumba classes, health awareness programmes and other wellbeing activities. These initiatives are aimed at promoting a healthy, safe and engaging workplace and supporting the overall wellbeing of employees.

The Company also extends D&O insurance coverage to employees serving in managerial or supervisory capacities as part of its broader employee protection framework.

General Disclosures

- The Company does not have any material subsidiaries;
- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under regulation 32(7) of SEBI Listing Regulations;
- The Company has not entered into any materially significant related party transactions that could have a potential conflict with the interests of the listed entity and its shareholders at large;
- The Company has not obtained any credit rating during the FY 2025-26 for any of its debt instruments, fixed deposit programme or any scheme or proposal involving the mobilisation of funds, whether in India or abroad. Accordingly, the disclosure requirement regarding the list of credit ratings and any revisions thereto is not applicable for the FY 2025-26.
- The Company does not operate any manufacturing facilities; hence, disclosure of plant locations is not applicable.
- The Company does not have any exposure to commodity price risk or foreign exchange risk during the FY 2025-26. Consequently, the disclosure requirements relating to hedging activities are not applicable.
- The Company does not have any outstanding Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants, or convertible instruments during the FY 2025-26. Therefore, the disclosure requirements related to their conversion dates and impact on equity are not applicable.
- The Company's securities have not been suspended from trading on any stock exchange during the FY 2025-26. Accordingly, this disclosure requirement is not applicable.
- There were no agreements to be disclosed under clause 5A of Para A of Schedule III of the SEBI Listing Regulations.
- The Company has identified its key stakeholder groups, details of which are provided in the BRSR, forming part of the Annual Report.
- During the FY 2025-26, no penalties were levied on the Directors, KMPs' and Senior Management of the Company by any statutory or regulatory authority.
- The Company did not incur any material penalties or sanctions under human rights or environmental laws during the financial year.

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: August 13, 2026

Annexure A

Declaration on Compliance of Code of Conduct

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year 2025–26.

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: May 21, 2026

Annexure B

Certificate on Corporate Governance

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

We have examined the compliance of the conditions of Corporate Governance by M/s Honasa Consumer Limited for the year ended on 31st March 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose.

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

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475H001120329

Place: New Delhi
Date: August 13, 2026

Annexure C

CEO & CFO Certificate

We, the undersigned, in our respective capacities as CEO & Whole-time Director and Chief Financial Officer of Honasa Consumer Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March 2026 ("year") and that to the best of our knowledge and belief, we state that:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee
   a) significant changes, if any, in internal control over financial reporting during the year;
   b) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For **Honasa Consumer Limited**

Varun Alagh
Chairman, CEO & Whole Time Director
Date: May 21, 2026

For **Honasa Consumer Limited**

Raman Preet Sohi
Chief Financial Officer
Date: May 21, 2026

Annexure D

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Honasa Consumer Limited bearing CIN: L74999DL2016PLC306016 and having registered office at Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi – 110075 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name	Director Identification Number (DIN)	Date of Appointment
1.	Mr. Varun Alagh	07597289	September 16, 2016
2.	Ms. Ghazal Alagh	07608292	September 16, 2016
3.	Mr. Subramaniam Somasundaram	01494407	February 11, 2022
4.	Mr. Vivek Gambhir	06527810	March 24, 2021
5.	Ms. Namita Gupta	07337772	June 08, 2022
6.	Mr. Ishaan Mittal	07948671	January 03, 2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Shashi Shekhar
Proprietor
Membership Number: F12475
Certificate of Practice: 14145
Peer Review No.: 3159/2023
UDIN: F012475H001120472

Place: New Delhi
Date: August 13, 2026

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) -** L74999DL2016PLC306016
2. **Name of the Listed Entity -** Honasa Consumer Limited
3. **Year of incorporation -** 16-09-2016
4. **Registered office address**
   Unit No- 404, 4th Floor, City Centre,
   Plot No- 05, Sector-12, Dwarka, New Delhi – 110 075
5. **Corporate address**
   10 & 11th floor, Capital Cyberscape, Sector 59,
   Gurgaon, Haryana, Pin – 122 102
6. **E-mail** compliance@honasa.in
7. **Telephone** 011-44123544
8. **Website** www.honasa.in
9. **Financial year for which reporting is being done**
   April 1, 2025 – 31st March 2026
10. **Name of the Stock Exchange(s) where shares are listed**
    BSE Limited (BSE)
    National Stock Exchange of India Limited (NSE)
11. **Paid-up Capital**
    ₹ 3,25,36,97,940/- (As on 31st March 2026)
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**
    Gaurav Pandit
    +91 124 428 8351
    cs@honasa.in
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)**
    Disclosures made in this report are on a standalone basis
14. **Name of assurance provider**
    -
15. **Type of assurance obtained**
    -

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Trade	Wholesale trading with our B2B and offline partners	45.24%
2	Trade	Retail trading with our consumers through online platform	54.76%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Beauty and Personal Care Products	46491 & 47722	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated.

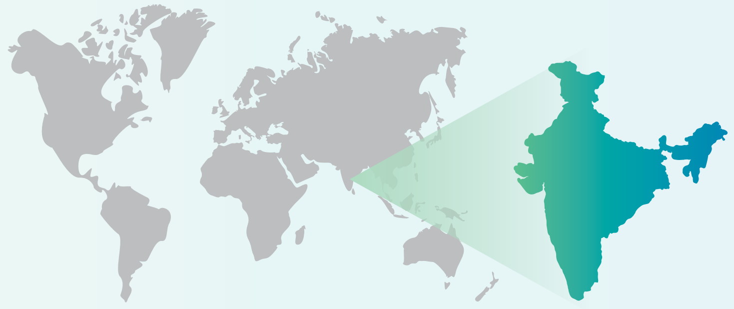
Location	Number of plants	Number of offices	Total
National	0	182*	182
International	0	0	0

**Including Warehouses, Exclusive Brand Outlets and Offices*

19. Markets served by the entity:

a. Number of locations

31
International
(No. of Countries)



Pan India
National

Location	Number
National	Pan India
International (No. of Countries)	31

Note :

i. National: The Company pan-India presence and serve all states and union territories in India through its offices, distributors, ecommerce.

ii. International: The Company exports directly to 27 countries and indirectly to 4 countries through merchant exporters, taking its international presence to a total of 31 countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

2.8% (Standalone)

c. A brief on types of customers

Our customer base is divided into two segments: individual consumers and institutional clients. Individual customers primarily consist of retail buyers, while institutional clients include our offline distribution network, such as super-stockists and distributors. In addition, our B2B e-commerce partners are also recognised as part of our customer base.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	936	658	70.29%	278	29.71%
2	Other than Permanent (E)	2,517	968	38.46%	1,549	61.54%
3	**Total employees (D + E)**	**3,453**	**1,626**	**47.08%**	**1,827**	**52.92%**
WORKERS*						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	**Total workers (F + G)**	**NA**	**NA**	**NA**	**NA**	**NA**

** The Company does not have any staff in the "workers" category.*

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total differently abled employees (D + E)**	**0**	**0**	**0%**	**0**	**0%**
DIFFERENTLY ABLED WORKERS*						
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	**Total differently abled workers (F + G)**	**NA**	**NA**	**NA**	**NA**	**NA**

** The Company does not have any staff in the "workers" category.*

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.3%
Key Management Personnel*	4	1	25%

**Includes Executive Directors designated as Key Management Personnel*

22. Turnover rate for permanent employees and workers

Particular	FY 2025-26			FY 2024-25**			FY 2023-24**		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	38.39%	35.53%	37.55%	48.46%	48.50%	48.47%	45.46%	38.07%	43.44%
Permanent Workers	NA*								

**The Company does not have any staff in the "workers" category.*

***Turnover figures for the previous reporting period have been restated to align with the current year's reporting methodology and presentation, ensuring comparability across reporting periods.*

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/Associate/Joint Venture**	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	Bhabani Blunt Hair Dressing Private Limited	Subsidiary	100%	The BRSR is for Honasa Standalone entity
2	B:Blunt-Spratt Hairdressing Private Limited	Subsidiary*	100%	
3	Couch Commerce Private Limited	Associate	25%	
4	BTM Ventures Private Limited	Subsidiary	95%	
5	Honasa Consumer General Trading LLC	Subsidiary	100%	
6	PT Honasa Consumer Indonesia	Subsidiary	100%	

**Wholly owned subsidiary of Bhabani Blunt Hair Dressing Private Limited*

***During the financial year 2025-26, Fusion Cosmeceutics Private Limited and Just4Kids Services Private Limited wholly owned subsidiaries merged with the Company. As a result, certain figures for the previous year have been revised, wherever applicable, to take into account the effects of the merger.*

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

a. Turnover (in ₹)	23,05,41,18,541
b. Net worth (in ₹)	13,96,10,03,166

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)*	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Not applicable, as we do not have any investors other than the shareholders (e.g., preference shareholders or debenture holders)						
Shareholders	Yes	0	0		5	0	
Employees	Yes	14	0		5	0	
Customers**	Yes	9,127	0		9,072	0	
Value Chain Partners	Yes	2	2		0	0	
Other (please specify)	Yes	2	2		0	0	

***Figures for the previous reporting period have been restated to align with the current year's reporting methodology ensuring comparability across reporting periods. Product-related grievances have been considered. Complaints received during FY 2025–26 accounted for approximately 0.007% of the total products sold during the year, compared with approximately 0.009% during FY 2024–25*

**** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)***

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	https://support.mamaearth.in/support/home https://thedermaco.com/contact-us https://aqualogica.in/pages/contact, https://honasa.in/pages/contact
Investors (other than shareholders)	https://honasa.in/cdn/shop/files/HCL_Investors_Grievance_Redressal_Policy.pdf
Shareholders	https://honasa.in/cdn/shop/files/HCL_Investors_Grievance_Redressal_Policy.pdf
Employees and workers	https://honasa.in/cdn/shop/files/Whistle_Blower_Policy.pdf https://chat.infeedo.com/chat/amber
Customers	https://support.mamaearth.in/support/home https://support.thedermaco.com/support/home https://aqualogica.in/pages/contact, https://honasa.in/pages/contact
Value Chain Partners	https://honasa.in/cdn/shop/files/Whistle_Blower_Policy.pdf
Other (please specify)	NA

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Consumer Safety & Welfare	Risk and Opportunity	Focusing on consumer health and safety is essential for building trust and maintaining transparency. Non-compliance with regulations concerning product information, labelling, and marketing can lead to serious adverse outcomes. Additionally, prioritising health and safety measures helps reduce potential risks and protects consumers from harm, thereby reinforcing confidence in the brand. The Company's purpose-led approach extends beyond product safety to initiatives that contribute to broader consumer and societal welfare including afforestation and biodiversity through Mamaearth's 'Plant Goodness' initiative, freshwater conservation through Aqualogica's 'Fresh Water for All' initiative and plastic waste management through its ongoing plastic neutrality efforts. Such initiatives together with responsible consumer engagement and grievance redressal mechanisms, can enhance brand trust, strengthen consumer loyalty and differentiate the Company's brands while contributing to long-term sustainable value creation.	A dedicated CRM team is in place to track consumer feedback and ensure prompt responses. Regular consumer satisfaction surveys are conducted to collect meaningful insights and feedback. Clinical trials are undertaken before product launches to ensure compliance with safety standards. Rigorous quality control measures are followed, including batch-wise testing and periodic inspections carried out by accredited third-party laboratories.	Negative & Positive
2	Community	Opportunity	The company is dedicated to developing purpose-led brands and follows a strong CSR framework centred on education and environmental sustainability. It actively carries out social and environmental initiatives to generate a meaningful impact on the wider community. These initiatives primarily focus on empowering women and children, promoting afforestation, and improving access to clean freshwater for all.		Positive
3	Business Ethics, Governance, and Transparency	Opportunity	Strong governance frameworks are essential for enhancing the company's reputation, improving decision-making, and strengthening risk management, thereby supporting long-term sustainability. They promote a culture rooted in integrity, transparency, and accountability, which helps build stakeholder confidence. By proactively identifying and managing risks, the organisation encourages ethical practices across all levels. Additionally, effective governance ensures that business strategies remain aligned with ESG principles, enabling sustainable growth and resilience in an evolving market landscape.		Positive
4	Sustainable Packaging	Opportunity	The Company operates with a continuous, ongoing commitment to recycle more plastic than we consume in our operations. We have successfully recycled over 15,500+ tonnes of plastic waste. Further, the company is taking steps to reduce its dependence on virgin plastic through the use of recycled materials in its packaging. Currently, one of its body wash product ranges uses packaging containing up to 70% recycled plastic, thereby reducing the consumption of virgin plastic. Building on this initiative, the Company plans to increase the use of recycled materials across other product ranges in coming years. These initiatives are currently undergoing stability testing to assess their suitability for wider implementation. Through these efforts, the Company aims to reduce its reliance on virgin resources, minimise packaging waste and contribute to more sustainable and circular packaging practices.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1. a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	https://honasa.in/cdn/shop/files/BRSRPolicy.pdf								
2	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	Made safe and Cruelty-free (by PETA) certified	-	-	Cruelty-free (by PETA) certified	Made Safe	-	Cruelty-free (by PETA) certified	-

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Honasa Consumer Limited integrates environmental and social impact directly into its core business model through its 'House of Purpose-Driven Brands' framework. While the Company is continually evaluating its broader ESG framework to establish comprehensive, time-bound targets across all sustainability parameters, We are undertaking following initiatives: • **Afforestation & Biodiversity Target:** Under Mamaearth's 'Plant Goodness' initiative, the Company has established a formal, time-bound target to plant 2,000,000+ trees by the year 2030. As of the current reporting period, we are on track, having successfully planted over 1,101,200+ trees. • **Plastic Neutrality:** The Company operates with a continuous, ongoing commitment to recycle more plastic than we consume in our operations. We have successfully recycled over 15,500+ tonnes of plastic waste. • **Inclusive Growth (Continuous Improvement):** Beyond fixed timelines, our brand-led social initiatives (e.g., Aqualogica's *Fresh Water for All*, The Derma Co.'s *Young Scientists*, and BBlunt's *Shine Academy*) operate on a proportional-growth model, meaning our social impact investments scale concurrently with our business revenue year-on-year.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Valued Stakeholders,

It gives me great pleasure to share Honasa Consumer Limited's sustainability journey through our Business Responsibility and Sustainability Report (BRSR) for the financial year ended 31st March 2026.

At Honasa, we believe a business has a responsibility beyond growth. It must create value for people, communities and the planet. For us, sustainability is not a separate agenda but it is part of how we build our business and our brands.

Turning Purpose into Action

The world faces challenges such as climate change, plastic waste, water scarcity and the need for more inclusive growth. We see these not only as challenges, but as opportunities to innovate and create meaningful change.

Our **House of Purpose-Driven Brands** reflects this belief. As our brands grow, we want their positive impact to grow with them.

During FY 2025–26, our initiatives continued to create impact across the environment and communities:

- **1,101,200+** trees planted through Mamaearth's *Plant Goodness* initiative, taking us closer to our target of **2,000,000+ trees by 2030**, while creating income opportunities for farmers.
- **1,500+ rural households** reached through Aqualogica's *Fresh Water for All* initiative with access to clean and safe drinking water.
- **48,000+ students** empowered through The Derma Co.'s *Young Scientists* programme with practical science education.
- **18,000+ women** certified through BBlunt's *Shine Academy*, supporting vocational skills and financial independence.
- **48,500+ health check-ups** completed through Dr. Sheth's *Healthy India, Healthy You* campaign.

Behind every number is a person - a farmer, a student, a woman building her livelihood, a family gaining access to clean water or someone receiving a health check-up. That is what makes this work meaningful.

Creating Change Beyond Our Brands

Our responsibility also extends to the communities where we operate.

During the year, we transformed a degraded dumping site at Aravalli Creek into the **Honasa Forest**, creating a protected ecosystem with **6,500 trees**, while maintaining more than **14,000 saplings across 48+ native species**.

We also deployed anti-smog vehicles in high-pollution areas of Gurugram and developed a **3-kilometre GMDA green belt** with native plantations to create a long-term dust buffer.

For underprivileged children, we established **two day-care centres in Gurugram**, focused on health, nutrition and early education.

Building a Responsible Organisation

Our commitment begins within Honasa. We continue to maintain our status as a **plastic-positive organisation**, recycling more plastic than we consume.

We are equally focused on creating a diverse and inclusive workplace where people have the opportunity to learn and grow. As of 31st March 2026, women constitute ~53% of our workforce, including off-roll employees.

Looking Ahead

We know there is more to do. Sustainability is a journey that demands consistency, accountability and continuous improvement.

I am encouraged by the collective commitment of our employees, NGO partners, communities, consumers and stakeholders. Together, we will continue to grow with purpose and build a future that is better for people and the planet.

Thank you for your continued trust and partnership.

Warm regards,

Varun Alagh

Chairman, Whole-Time Director & CEO

Honasa Consumer Limited

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Varun Alagh (Chairman, Whole Time Director and Chief Executive Officer)									
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA).									Yes
	If Yes please provide details The Corporate Social Responsibility Committee is responsible for decision making on sustainability related issues.									

10 Details of Review of NGRBCs by the Company

	Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	The policies of the Company are reviewed periodically / on a need basis by department heads /directors / Board committees, wherever applicable.								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company complies with all the applicable laws and a statutory compliance certificate on applicable laws is provided by the CEO & WTD to the Board of Directors On a quarterly basis								

	Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Annually								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	No	No	No	No	No	No	No	No
	If yes, provide name of the agency.	NA	NA	NA	NA	NA	NA	NA	NA	NA

12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle - 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Principle - 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Principle - 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Principle - 4 Businesses should respect the interests of and be responsive to all its stakeholders.

Principle - 5 Businesses should respect and promote human rights.

Principle - 6 Businesses should respect and make efforts to protect and restore the environment.

Principle - 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Principle - 8 Businesses should promote inclusive growth and equitable development.

Principle - 9 Businesses should engage with and provide value to their consumers in a responsible manner.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	During FY 2025–26, the Board held several strategy sessions and meetings to discuss the Company's business priorities, market developments, emerging risks and long-term growth plans. The Board was regularly updated on key areas such as business performance, brand and product strategy, technology initiatives, consumer trends, innovation, and investments. Management also shared the annual business plan, including growth priorities, financial goals, plans across online and offline channels and proposed capital expenditure to support future expansion and regulatory updates. These discussions helped the Board provide strategic guidance and effectively oversee the Company's growth and governance priorities.	100%
Key Managerial Personnel	6	In addition to programmes on the Company's Code of Conduct and the Prevention of Sexual Harassment (POSH) Policy, Insider Trading Awareness Session, Key Managerial Personnel (KMPs) also participated in selected business and governance sessions conducted for the Board. These covered topics such as business strategy, business performance, market developments, emerging risks, technology initiatives, consumer trends, innovation, investments and regulatory updates, as relevant.	100%
Employees other than BOD and KMPs	162	Training covered functional and behavioural areas including leadership and people management, communication, problem-solving and creative thinking, data and digital skills, sales and commercial capabilities, negotiation, stakeholder management, consumer understanding, brand and product knowledge, compliance, workplace practices and other role-specific skills. Employees also had access to expert-led sessions, masterclasses and self-paced learning through the Learning Hub and Udemy. These programmes supported capability building, skill enhancement, role effectiveness and continuous professional development.	62%
Workers	0	NA*	

**The Company does not have staff in the "workers" category.*

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine					
Settlement			NA*		
Compounding fee					

Non-Monetary				
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA*			
Punishment				

** During FY 2025-26, there were no material fines/penalties/ punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs.*

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA*	

**No event of materiality wherein the Company has paid any amount.*

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/No)

Yes, the employee code of conduct has an anti-bribery policy

If Yes, provide details in brief

Anti-Bribery provisions are integrated into Company's internal Code of Conduct in alignment with SEBI's BRSR guidelines under Principle 1 relating to ethical and transparent governance.

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

The Company's Anti-Bribery and Anti-Corruption provisions form part of its internal Code of Conduct. As this policy is confidential and intended solely for internal governance purposes. The policy is available on company's intranet as part of the Code of Conduct-Internal document

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particular	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	NA*	NA*

**The Company does not have staff in the "workers" category.*

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2025-26		FY 2024-25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA*

**No case of corruption or conflict of interest was recorded during the year.*

8. Number of days of accounts payables in the following format:

Particular	FY 2025-26	FY 2024-25
Number of days of accounts payables	71	73

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	16.06%	12.01%
	b. Number of dealers/distributors to whom sales are made	468	458
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	31.96%	34.56%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales to related parties/Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	100%	100%
	d. Investments	55.32%	24.52%

Leadership Indicators

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)

Yes

If Yes, provide details of the same.

The Company has adopted a dedicated Code of Conduct applicable to its Board of Directors and Senior Management (collectively referred to as the "Leadership"). The Code outlines the ethical standards expected of Leadership and includes comprehensive provisions for the identification, disclosure, and management of conflicts of interest. Leadership members are required to perform their responsibilities with integrity and objectivity, ensuring that personal interests or those of related parties do not influence their decision-making.

They are also obligated to promptly disclose any existing or potential conflicts of interest, including associations with individuals, organizations, or business entities that may impair, or appear to impair, their ability to discharge their duties independently and in the best interests of the Company.

The Company's Code of Conduct is available on its Investor webpage at: https://honasa.in/pages/investor

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
1	R&D	0%	0%	NA
2	Capex	0%	0%	NA

2	**a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)** **b. If yes, what percentage of inputs were sourced sustainably?**	Yes, The Company is committed to responsible and sustainable sourcing across its value chain. It engages with its supply chain partners to promote responsible business practices, sustainability and continuous improvement. The Company continues to strengthen its approach towards ESG considerations, partner engagement and performance monitoring, with a focus on building a more responsible and sustainable value chain.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	NA
(b)	E-waste	NA*
(c)	Hazardous waste	NA*
(d)	other waste	NA

The Company is primarily engaged in activities that do not generate e-waste or hazardous waste.

4. a **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)**

Yes

b **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

Yes

c **If not, provide steps taken to address the same**

NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	658	658	100%	658	100%	0	0%	658	100%	658	100%
Female	278	278	100%	278	100%	278	100%	0	0%	278	100%
Total	**936**	**936**	**100%**	**936**	**100%**	**278**	**100%**	**658**	**100%**	**936**	**100%**
Other than permanent employees											
Male	968	968	100%	968	100%	0	0%	0	0%	0	0%
Female	1,549	1,549	100%	1,549	100%	1,549	100%	0	0%	0	0%
Total	**2,517**	**2,517**	**100%**	**2,517**	**100%**	**1,549**	**100%**	**0**	**0%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

The Company does not have staff under the "workers" category.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Category	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the company	0.11%	0.14%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA*	Yes	100%	NA*	Yes
Gratuity	100%	NA*	No	100%	NA*	No
ESI	0.11%	NA*	Yes	0.11%	NA*	Yes
Others – please specify	-	-	-	-	-	-

The company does not have staff in the "workers' category.

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

NA

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

If so, provide a web-link to the policy.

NA*

The Company's Equal Opportunity Policy provisions are incorporated within its internal Code of Conduct. As the policy is confidential and intended for internal governance use only, it is not published on the external website.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	74.29%	NA*	NA*
Female	100%	92.86%	NA*	NA*
Total	**100%**	**79.59%**	**NA***	**NA***

The Company does not have staff under the "workers" category.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers*	NA*	
Other than Permanent Workers*	NA*	
Permanent Employees	Yes	The Company has an internal chat-based platform that enables employees to conveniently register their grievances and seek support. Additionally, employees may directly approach their designated HR Business Partners for the timely resolution of concerns and guidance on workplace-related matters.
Other than Permanent Employees	Yes	The Company provides appropriate channels through which non-permanent employees can raise their grievances. Concerns may be reported through designated reporting channels or escalated to the respective site supervisors or Human Resources representatives for timely review and resolution.

The Company does not have staff under the "workers" category.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C.)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	936	0	0%	923	0	0%
Male	658	0	0%	657	0	0%
Female	278	0	0%	266	0	0%
Total Permanent Workers*	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

The Company does not have staff under the "workers" category.

8. Details of training given to employees and workers:

Category*	FY 2025-26					FY 2024-25				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	658	658	100%	373	56.69%	657	657	100%	475	72.30%
Female	278	278	100%	128	46.04%	266	266	100%	193	72.56%
Total	**936**	**936**	**100%**	**501**	**53.53%**	**923**	**923**	**100%**	**668**	**72.37%**
Workers**										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Disclosure is provided for permanent employees.

**The Company does not have staff in the "workers'' category.*

9. Details of performance and career development reviews of employees and worker:

Category*	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	658	613	93.16%	657	531	80.82%
Female	278	251	90.29%	266	221	83.08%
Total	**936**	**864**	**92.31%**	**923**	**752**	**81.47%**
Workers**						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Disclosure is provided for permanent employees.

**The Company does not have staff in the "workers' category.*

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)

Yes

If Yes, the Coverage such systems?

The Company has an occupational health and safety management system covering employees across its operations, with a focus on maintaining a safe, healthy, hygienic and supportive workplace.

Workplace hygiene and cleanliness are supported through dedicated housekeeping, pantry and facility support personnel across office premises and common areas.

The Company also supports employee well-being through menstrual hygiene facilities, including sanitary pads and toilet seat disinfectant sprays in women's washrooms. Under the Honasa Period Support Policy, eligible female employees can avail one work-from-home day per month during severe menstrual discomfort, in addition to existing sick leave provisions.

Employees also have access to medical support through an on-site medical room, in-house medical personnel and on-call doctor services for emergencies.

These measures reflect the Company's focus on providing appropriate workplace infrastructure and support systems for employee health, safety and well-being.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company is committed to providing a safe, healthy, and secure work environment for all employees and visitors. Considering the nature of its operations, the risk of exposure to hazardous materials remains minimal. During the year, the Company did not record any significant workplace accidents or material safety incidents.

The Company continuously monitors workplace health and safety performance through regular inspections and monthly tracking of workplace incidents, enabling the timely identification, assessment, and mitigation of potential risks. A structured incident reporting and investigation process supports the implementation of corrective and preventive actions to minimise the likelihood of recurrence.

To maintain a safe and secure workplace, the Company has implemented comprehensive fire safety measures, including fire detection and alarm systems, firefighting equipment, clearly marked emergency exits, evacuation procedures, and periodic fire drills. Workplace security is further strengthened through CCTV surveillance, deployment of trained security personnel, and access control systems to monitor and regulate entry and exit at Company premises, ensuring the safety of employees, visitors, Company assets and ensure that only authorised personnel have access to designated areas.

Recognizing the importance of continuous improvement, the Company remains committed to enhancing its occupational health and safety practices through periodic risk assessments, employee awareness and safety training, regular reviews of safety procedures, and the adoption of industry best practices to foster a safe, secure, and resilient workplace.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category#	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.98
	Workers	NA*	0
Total recordable work-related injuries	Employees	0	2
	Workers	NA*	0
No. of fatalities	Employees	0	0
	Workers	NA*	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	NA*	0

#Including in the contract workforce

**The Company does not have staff in the "workers" category.*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company takes various measures to support the health, safety and overall well-being of its employees. All employees are covered under a Group Health Insurance Policy which also extends coverage to their spouses and dependent children, providing financial support for hospitalisation, pre-existing illnesses, maternity, daycare and other medical needs. Employees are also covered under a Group Accidental Insurance Policy which provides financial protection in case of accidental death, disability and related medical expenses. In addition, the entity provides access to 20+ wellness benefits including mental health counselling, telemedicine consultations, preventive health check-ups, flu vaccinations, fitness and wellness programmes, dental and vision care, and discounts on medicines and diagnostic services. These initiatives are aimed at ensuring that employees have access to necessary healthcare support and resources for maintaining their physical and mental well-being.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA*

**There were no safety-related incidents during the year, therefore no corrective actions were taken.*

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	NA*

**The Company does not have staff in the "workers" category.*

3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	2	0	0
Workers*	NA	NA	NA	NA

**The Company does not have staff in the "workers' category.*

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No/NA)

No

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	85%
Working Conditions	85%

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process of identifying key stakeholders involves evaluating and recognising individuals, groups, or institutions that play a significant role in the company's operations. Based on their importance to overall performance and success, the company has identified seven key stakeholder groups.

The Company maintains regular and active engagement with these stakeholders to understand their concerns, grievances, and suggestions, and integrates their feedback into its decision-making processes. Stakeholders are identified based on the mutual influence between them and the company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumer	No	Advertisements, emails, Website, newspaper, SMS, social media, calls, community meetings	As and when required	Advocate and market the product portfolio. Respond to queries related to the products. Evaluate customer satisfaction levels. Understand consumer needs and preferences to support new product development. Engage with customers to boost product sales.
Customer	No	Emails, Website SMS, Online & Offline calls	As and when required	Provide details about product offerings, promotional schemes, and related information. Respond to queries related to the products. Assess customer satisfaction levels. Engage with customers to showcase and highlight the products.
Employees	No	Emails, online messages, SMS, feedback portal, offline and online meetings	As and when required	Continuous updates on business activities. Evaluate employee satisfaction within the workplace. Ongoing communication regarding operational matters.
Communities	Yes	Via NGO Partners	As and when required	Describe how the implemented programme functions and highlight its benefits. Handle and resolve grievances effectively.
Shareholders & Investors	No	Earnings call and presentation, website, Emails, SMS, Newspaper, social media, offline and online meetings	Quarterly, Annually, and as and when required	Present and highlight the company's performance. Share updates in accordance with regulatory requirements.
Vendors	No	Emails, offline and online meetings, SMS	As and when required	Conduct discussions in line with agreed contractual terms. Provide updates on business deliverables. Manage and resolve concerns or grievances.
Regulatory Bodies	No	Emails, offline and online meetings, SMS	As and when required	Adhere to government regulations

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers overed (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	936	936	100%	923	923	100%
Other than permanent	2,517	2,517	100%	2,605	0	0%
Total Employees	**3,453**	**3,453**	**100%**	**3,528**	**923**	**26.20%**
Workers*						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

The Company does not have staff under the "workers" category.

2. Details of minimum wages paid to employees and workers

Category*	FY 2025-26					FY 2024-25**				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	658	0	0%	658	100%	657	0	0%	657	100%
Female	278	0	0%	278	100%	266	0	0%	266	100%
Total	**936**	**0**	**0%**	**936**	**100%**	**923**	**0**	**0%**	**923**	**100%**
Other than Permanent										
Male	968	0	0%	968	100%	0	0	0%	0	0%
Female	1,549	0	0%	1,549	100%	0	0	0%	0	0%
Total	**2,517**	**0**	**0%**	**2,517**	**100%**	**0**	**0**	**0%**	**0**	**0%**
Workers*										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

The Company does not have staff under the "workers" category.

***The Company captured the above mentioned data for permanent employees only in FY 2024-25*

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BOD)	4	26,00,000	2	1,61,00,000
Key Managerial Personnel*	3	4,84,00,000	1	3,00,00,000
Employees other than BOD and KMP	655	10,98,900	277	11,18,800
Workers**	NA	NA	NA	NA

**Key Managerial Personnel (KMP) includes Executive Directors.*

***The Company does not have staff under the "workers" category.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	28.09%	28.20%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Our Human Resource (HR) department assumes the responsibility for addressing human rights concerns and issues. Additionally, a dedicated Internal Complaints Committee (ICC) has been established to handle and resolve issues related to sexual harassment, code of conduct violation and ensuring a safe and respectful work environment for all employees.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

An aggrieved employee may report concerns to the Internal Complaints Committee (ICC), which will then initiate an investigation.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	10	0	NA	3	2	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	10	3
Complaints on POSH as a % of female employees/workers	0.54%	1.1%
Complaints on POSH upheld	0	2

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Confidentiality is upheld throughout the investigation process, and interim support or relief may be extended to the complainant where necessary.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

NA

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0%

The entity conducts regular internal assessments across its operations to ensure compliance with laws and regulations related to child labour, forced/involuntary labour, sexual harassment, workplace discrimination and wages. This is aided by a comprehensive compliance tool that tracks all statutory and regulatory compliance obligations. This ensures that any potential issues in these areas are identified and addressed promptly, maintaining a safe, ethical and fair working environment for all employees.

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

NA*

**No offices or plants were assessed during the year, therefore there were no corrective actions taken.*

Leadership Indicators

Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (in Giga Joules)	FY 2024-25 (in Giga Joules)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	5,654.12	4,896.36
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	5,654.12	4,896.36
Total energy consumed (A+B+C+D+E+F)	5,654.12	4,896.36
Energy intensity per rupee of turnover [Total energy consumed (in GJ)/Revenue from operations (in rupees)]	0.00000025	0.00000026
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* [Total energy consumed (in GJ)/Revenue from operations in rupees adjusted for PPP]	0.00000499	0.00000542
Energy intensity in terms of physical output** [Total energy consumed (in GJ)/No. of units of products]	0.00003912	3.89217806
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		No
If yes, name of the external agency.	NA	

**The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2025-26, which is 20.34*

**The unit of measurement for physical output has been revised for FY 2025-26. Accordingly, the previous year's figures are not directly comparable

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26*	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	430	430
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	430	430

Parameter	FY 2025-26*	FY 2024-25
Total volume of water consumption (in kilolitres)	86	430
Water intensity per rupee of turnover [Total water consumption (in KL)/Revenue from operations (in rupees)]	0.000000004	0.00000002
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total water consumption (in KL)/Revenue from operations in rupees adjusted for PPP]	0.00000008	0.00000048
Water intensity in terms of physical output** [Total water consumption (in KL)/No. of units of products]	0.00000059	0.34181240
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)	No	No
If yes, name of the external agency.	NA	

During the reporting year, the Company adopted the methodology proposed in the Urban Wastewater Scenario in India study (August 2022), which assumes that 80% of the water withdrawn is discharged as wastewater to the third party.

**The unit of measurement for physical output has been revised for FY 2025-26. Accordingly, the previous year's figures are not directly comparable

4. Provide the following details related to water discharged:

Parameter	FY 2025-26*	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties*		
No treatment	344	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)		
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)	No	No
If yes, name of the external agency.	NA	

During the reporting year, the Company adopted the methodology proposed in the Urban Wastewater Scenario in India study (August 2022), which assumes that 80% of the water withdrawn is discharged as wastewater to the third party.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter*	Please specify unit	FY 2025-26	FY 2024-25
NOx	NA	0	0
SOx	NA	0	0
Particulate matter (PM)	NA	0	0
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	NA	0	0
Hazardous air pollutants (HAP)	NA	0	0
Others – please specify	NA	0	0
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.	NA		

The nature of our operations is such that there are no air emissions

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26*	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	34.70	79.20
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	1,115.12	988.79
Total Scope 1 and Scope 2 emissions per rupee of turnover	Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$)/Revenue from operations (in rupees)	0.00000005	0.00000006
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$)/Revenue from operations (in rupees) adjusted for PPP	0.00000101	0.00000118
Total Scope 1 and Scope 2 emission intensity in terms of physical output**	Total Scope 1 and Scope 2 emissions (in $MTCO_2e$)/No. of units of products	0.00000795	0.84895866
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		No	No
If yes, name of the external agency.	NA		

Source of emission factors used - EPA's GHG Emission Factors Hub, CEA's CDM - CO_2 Baseline Database User Guide Version 21 has been used for the purpose of GHG Emissions calculations.

***The unit of measurement for physical output has been revised for FY 2025-26. Accordingly, the previous year's figures are not directly comparable*

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/No)

No

If Yes, then provide details.

NA

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	163	**162.45**
- **Office Waste**	163	162.45
Total (A+B + C + D + E + F + G + H)	163	**162.45**
Waste intensity per rupee of turnover [Total waste generated (in MT)/Revenue from operations (in rupees)]	0.0000000071	0.00000001
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Total waste generated (in MT)/Revenue from operations in rupees adjusted for PPP	0.00000014	0.00000018
Waste intensity in terms of physical output* Total waste generated (in MT)/No. of units of products	0.00000113	0.12913355
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: The unit of measurement for physical output has been revised for FY 2025-26. Accordingly, the previous year's figures are not directly comparable

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2025-26	FY 2024-25
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

For each category of waste generated, the total waste disposed of by the nature of the disposal method (in metric tonnes)

Category of waste	FY 2025-26	FY 2024-25
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	163	162.45
Total	**163**	**162.45**
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)	No	No
If yes, name of the external agency.	NA	

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the Company's operations, the generation of hazardous and toxic waste is limited. The Company remains committed to responsible waste management by focusing on waste minimisation, segregation, recycling, and resource recovery practices across its operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NA*				

** The Company does not have operations/offices in/around any ecologically sensitive areas.*

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA*					

**The Company did not undertake any environmental impact assessments during the year.*

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA			

Leadership Indicators

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26*	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	$MTCo_2e$	23,096.01	-
Total Scope 3 emissions per rupee of turnover	Total Scope 3 emissions (in $MTCo_2e$)/Revenue from operations (in rupees)	0.0000010018	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		No	No
If yes, name of the external agency.		NA	NA

**The Company has reported Scope 3 emissions for the first time during FY 2025–26. The Company has reported emissions under Scope 3 categories including Purchased Goods and Services (Category 1), Capital Goods (Category 2), Fuel- and Energy-Related Activities (Category 3), Upstream Transportation and Distribution (Category 4), Waste Generated in Operations (Category 5), Business Travel (Category 6), and End-of-Life Treatment of Sold Products (Category 12).*

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

4

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National/International)
1	ASCI (The Advertising Standards Council of India)	National
2	ASSOCHAM (The Associated Chambers of Commerce & Industry of India)	National
3	PETA	International
4	Made Safe Australia	International

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	NA*	

There were no cases related to anti-competitive conduct by the entity during the year.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
			NA*		

**Not applicable for the Company as there was no Social Impact Assessment required to be conducted during FY 2025-26.*

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				NA*		

**During FY 2025-26, Company has not undertaken any projects that require Rehabilitation and Resettlement (R&R).*

3. **Describe the mechanisms to receive and redress grievances of the community.**

Local bodies communicate their concerns to the NGO partner, which then relays them to the company's designated SPOC. The SPOC, in turn, shares the necessary corrective measures with the NGO, enabling them to resolve the issues with the local bodies.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particular	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	44.88%	40.05%
Directly from within India	96.90%	96.42%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Particular	FY 2025-26	FY 2024-25
Rural	0%	0%
Semi-urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%
(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)		

Leadership Indicators

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	Haryana	Pataudi	1,624,796

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project*	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and Marginalised groups
1	ISRN	Community day-care centres focused on early education during the formative year	100%[1]
2	Saytrees	Long-term survival of the existing 14,000 saplings, along with the plantation of an additional 3,000 saplings.	Non Identifiable[2]
3	IamGurgaon	Maintenance of our existing Honasa Forest for 250m to optimise tree growth	
4	Hara Jeevan	Green belt of 3km and anti-smog gun activation for 2 months	

1. *During FY 2025–26, the Company allocated ₹59.99 lakh towards Goodness in Every Step, supporting two Early Childhood Care and Development (ECCD) centres in Ghata and Kadarpur, Gurugram. The centres provide daycare, foundational education, nutrition and healthcare support to 60 underserved children aged 2–6 years. The programme also includes regular health monitoring, nutritious meals, trained educators, CCTV-enabled facilities, and indoor and outdoor play areas to support the children's overall development in a safe and supportive environment.*
2. *The beneficiaries from vulnerable and marginalised groups are not separately identifiable for these initiatives. However, the projects are designed to benefit local communities, including vulnerable and marginalised sections of society, through improved environmental conditions, green spaces and public infrastructure.*

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Honasa has established a structured consumer complaint and feedback management mechanism to enable consumers to raise queries, complaints and feedback through multiple channels including customer care channels, brand websites and digital platforms. These channels provide consumers with accessible avenues to communicate concerns relating to products, services and overall consumer experience.

Consumer complaints received through the various channels are recorded in the Company's consumer response management system and assigned a unique reference/ticket number, where applicable, to facilitate systematic tracking and resolution. Complaints are reviewed by the relevant customer service and functional teams and are escalated to the appropriate functions for investigation and corrective action based on the nature of the concern.

The Company monitors the status of consumer complaints through the resolution process and communicates with consumers as appropriate until closure. Consumer feedback and complaint trends are periodically analysed to identify recurring concerns and areas for improvement. Insights from consumer interactions are used to strengthen product quality, processes and service delivery, thereby supporting continuous improvement in consumer satisfaction.

During FY 2025-26, the Company took a significant step towards AI-led Customer Support by introducing an AI Chat Bot which currently automates 65–70% of chat inflow while maintaining a CSAT of 65%+. Building on this foundation, during FY2026-27, our focus is to further scale AI across the customer support ecosystem. Key initiatives include an AI-powered Voice Bot to automate voice interactions, an AI Analytics platform providing a single real-time dashboard for inflow trends, CX experience, customer sentiment and order-to-inflow insights, AI-led interaction audits across customer touchpoints and channels, and AI-powered email automation to improve response speed and efficiency. Together, these initiatives aim to drive higher automation, faster resolutions, deeper CX insights and a more proactive, data-driven customer experience.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

Note: The Company provides certain Environmental & Social parameters and other disclosure on various products. However, The Company does not maintain / record data pertaining to the percentage of turnover of products of the Company that carry information regarding environmental / social parameters relevant to the product and recycling and/or safe disposal of the products. The Company is in compliance of applicable laws and regulations w.r.t. product labelling and information

3. Number of consumer complaints in respect of the following:

Particular	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	NA	58	1	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	3	3	NA
Other	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

https://honasa.in/cdn/shop/files/Honasa_Consumer_Limited_Cybersecurity_Policy_V1.0.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No corrective actions were undertaken during the reporting period. The Company continues to review and strengthen its processes and controls, wherever required, to address relevant matters and support ongoing compliance with applicable requirements.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

0

b. Details of instances of product recalls on account of safety issues:

NA

c. Impact, if any, of the data breaches

NA*

**No cases related to data breaches were observed during the financial year.*

Leadership Indicator

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information regarding Honasa's products can be accessed from the following channels:

- Company & Direct-to-Consumer (D2C) Websites: https://honasa.in/ as well as brand-specific platforms (e.g., https://mamaearth.in/, https://thedermaco.com/, https://aqualogica.in/, https://bblunt.com/, https://www.drsheths.com/).
- B2C and B2B E-Commerce Marketplaces: Major online shopping platforms including Amazon, Flipkart, Nykaa, Purplle, Blinkit, Instamart etc..
- Retail Outlets: Exclusive Brand Outlets (EBOs).
- Offline Retail Network: General Trade and Modern Trade stores through our distributor and super-stockist network.
- Mobile Applications: Brand-specific mobile applications (e.g., Mamaearth, The Derma Co. App).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Honasa Consumer Limited prioritises consumer health and safety to build trust and maintain transparency across its beauty and personal care portfolio. To ensure product safety and responsible usage, the Company undertakes clinical trials before product launches to guarantee compliance with rigorous safety standards. Furthermore, products carry relevant safety and ethical labels, including "Made Safe" and "Cruelty-Free (by PETA)" certifications, to guide consumer choices. The Company also follows stringent quality control measures, such as batch-wise testing and periodic inspections carried out by accredited third-party laboratories, to safeguard consumers from potential harm.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Honasa Consumer Limited operates primarily in the beauty and personal care sector, which does not fall under the essential services category. Nonetheless, the Company has established robust communication mechanisms to enable timely updates in the event of any service, order or supply chain disruption. Where required, relevant information can be promptly communicated to consumers and business partners through multiple channels, including brand websites, customer support portals, social media platforms, direct emails, SMS and through the offline distribution network.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA)

Yes

a. If yes, provide details in brief.

Yes.

Honasa ensures that all mandatory product declarations strictly align with relevant regulatory requirements and statutory norms.

Beyond statutory disclosures, the Company also displays additional voluntary certifications and visual markers on the packaging of applicable products to provide consumers with clear, transparent information regarding safety and ethical standards. Depending on the specific brand and formulation, these on-pack identifiers may include:

- **"Made Safe" Certification:** Indicating toxin-free formulations and safe ingredient standards.
- **"Cruelty-free (by PETA)" Certification:** Communicating that animal testing has not been conducted.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

Honasa captures and assesses consumer feedback through a comprehensive blend of digital mechanisms and direct on-ground interactions. A dedicated CRM team systematically tracks feedback and resolves grievances across support portals and social media, while regular consumer satisfaction surveys are conducted to evaluate overall satisfaction levels and guide new product development. Beyond digital touchpoints, senior leadership and designated officials frequently conduct market visits across various geographies to connect directly with consumers, institutional customers, and dealer networks. Furthermore, the Company implements a mandatory "Customer Call Practice" during onboarding, requiring every new employee to conduct at least 25 consumer calls to gather firsthand feedback on product experience, understand buyer motivations, and immerse themselves in the consumer mindset. The Company continuously analyses these combined insights from surveys, market visits and direct customer interactions to refine its purpose-driven product offerings in line with evolving market expectations

For and on Behalf of Board of Directors
Honasa Consumer Limited

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

Place: Gurugram
Date: August 13, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of **Honasa Consumer Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Honasa Consumer Limited ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in Note 24 of the standalone financial statements)	
As described in the accounting policy in note 2.2 to the standalone financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates/incentives. The Company has a large number of retailers and distributors with different commercial terms leading to material deductions from gross sales, which includes secondary discounts, right to return, rebates and other price adjustments in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). The Company also makes provision for sales returns, based on historic trends and assessment of market conditions.	Our audit procedures included the following: • We read and evaluated the Company's accounting policy for revenue recognition, including the policy for recording returns, and discounts in accordance with Ind AS 115 'Revenue from Contracts with Customers'. • We assessed and tested on sample basis the design and operating effectiveness of internal financial controls including application controls of the Company's system over Company's revenue recognition process. • We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management.

Key audit matters	How our audit addressed the key audit matter
We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards discounts, right to returns, rebates and other price adjustments is complex and requires significant judgements and estimates in relation to contractual agreements/commercial terms. Any change in these estimates can have a significant financial impact. b) The Company considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	• We tested on a sample basis invoices raised/credit note issued prior to year-end and post year end to assess whether revenue is recognised appropriately based on the performance conditions met, in line with Ind AS 115. • We read and assessed the relevant disclosures made in the Ind AS financial statements including disclosures on significant accounting judgements, estimates and assumptions. • We performed analytical procedures to identify any unusual trends and items.
Assessment of carrying value of inventory (as described in Note 12 of the standalone financial statements)	
The Company has inventories of ₹ 1,469.99 million, as at March 31, 2026. These inventories are held mostly at warehouses (including third party warehouses) and stores of the Company. The Company recognises inventory obsolescence based on the age of the product (i.e. whether it is close to expiry and expired), slow moving and damaged goods including future expectations of disposal of these goods as well as on account of the net realisable value ('NRV'), if it is lesser than cost. Significant judgement is required in assessing the appropriate level of slow moving and/or obsolete inventory and determination of NRV. Considering the involvement of estimations in the assessment, we considered carrying value of inventory to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to inventory purchases and provision for slow moving, close to expiry, expired and damaged inventories. • Performed testing on the controls over the inventory physical verification process. In testing these controls, we inspected the results of the physical verification carried out by the Company, observed physical inventory counts at few locations during the year ended March 31, 2026. • Verified the reconciliation of inventory confirmations received from third parties vis-a-vis the inventory records of the Company as at March 31, 2026. • Verified the reconciliation of inventory received vis-a-vis the purchase invoices recorded from the vendors for the year ended March 31, 2026. • Performed procedures to test controls around the Company's process to identify slow moving or obsolete inventories, assess the assessment of the cost and net realisable value, expired and damaged inventories and evaluated the adequacy of obsolescence and provision as at March 31, 2026.
Assessing the recoverability of carrying value of goodwill, other intangible assets and investments in subsidiaries and joint venture (as described in Note 4, 5 and 7 of the standalone financial statements)	
As at March 31, 2026, the carrying value of goodwill, other intangible assets and investments in subsidiaries and joint venture is ₹ 164.38 million, ₹ 700.72 million and ₹ 2,939.68 million respectively. The management reviews on a periodical basis whether there are any indicators of impairment of such goodwill, other intangible assets and investments. Management performs an impairment assessment by comparing the carrying value to their recoverable amount to determine whether an impairment is required to be recognised. Management's process for assessing and determining recoverable amount is based on judgements and assumptions relating to identification of impairment indicators, forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows. Since the impairment assessment involves significant estimates, assumptions and judgement, it is considered as a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • We read and assessed the Company's accounting policy with respect to impairment assessment. • We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. • We examined the management assessment in determining whether any impairment indicators exist. • We evaluated Company's valuation methodology and assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used for determining the recoverable amount and considered the sensitivity analysis scenarios performed by the management. • In making this assessment, we also assessed the objectivity and independence of Company's specialists involved in the process. • We tested the arithmetical accuracy of the models. • We evaluated the adequacy of relevant disclosures made in the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

In accordance with the Scheme of Amalgamation of Fusion Cosmeceutics Private Limited, Just4 Kids Services Private Limited and the Company, referred to in Note 44 to the standalone financial statements, the figures for the year ended March 31, 2025 have been restated, in accordance with the requirements of Appendix C of Ind AS 103 – Business Combination to include the financial information of the transferor companies which reflect total assets of ₹ 543.25 million as at March 31, 2025, total revenues of ₹ 1,561.36 million, total profit after tax of ₹ 48.87 million and total comprehensive income/(loss) of ₹ 48.89 million for the year ended March 31, 2025 and net cash outflows of ₹ 9.38 million for the period from April 01, 2024 to March 31, 2025. These audited financial statements have been audited by other auditors whose reports have been furnished to us and have been relied upon by us. We have reviewed the adjustments made by the management consequent to the approval of the aforesaid Scheme of Amalgamation to arrive at the restated comparative figures for the year ended March 31, 2025.

Our opinion above on the standalone financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except as stated in Note 45 to the standalone financial statements that (i) for three software applications, the back-up of books of account and other books and papers maintained in electronic mode were not kept in servers physically located in India on a daily basis; and (ii) for matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37(b) to the standalone financial statements;

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

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

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. As stated in note 33 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members of the Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks and as explained in Note 45 to the standalone financial statements:

(a) the Company has used one accounting software application for maintaining its price master records for which audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, we are unable to comment upon whether during the year there was any instance of audit trail feature being tampered with in respect of the accounting software application. Additionally, we are unable to comment whether the audit trail has been preserved by the Company as per the statutory requirements for record retention;

(b) the Company has used three accounting software applications, for maintaining its distribution management system records, price master records and point of sale records which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in these software except that, audit trail feature is not enabled for certain changes made, if any, using privileged/administrative access rights. Further, during the course of our audit in respect of accounting software where the audit trail has been enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, for these software applications, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274IYQROQ2968

Place: Gurugram
Date: May 21, 2026

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER LIMITED

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

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

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

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

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

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2026.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in note 43 to the standalone financial statements.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2026 and no material discrepancies were noticed in respect of such confirmations.

(b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of fixed deposits and quarterly returns or statements are not required to be filed with banks. Accordingly, the requirement to report on clause 3(ii)(b) of the Order with regards to filing of quarterly returns or statements with banks in respect of current assets is not applicable to the Company.

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

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

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

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) The Company granted loan to its subsidiary, which had fallen due during the year and the Company has extended the loan repayment period during the year to the subsidiary.

The aggregate amount of such dues extended and the percentage of the aggregate to the total loans granted during the year are as follows:

Name of Parties	Aggregate amount of loans granted (₹ million)	Aggregate amount for which extension granted (₹ million)	Percentage of loans extended
Honasa General Trading LLC	25	25	100%

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

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

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

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

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

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

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

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

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year. Hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

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

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

(x) (a) Monies raised during the earlier years by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with banks. The maximum amount of idle/surplus funds invested during the year was ₹ 1,794.83 million, of which ₹ 352.26 million was outstanding at the end of the year.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

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

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

(c) We have taken into consideration the whistle blower complaints received by the Company while determining the nature, timing and extent of audit procedures.

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

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

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

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

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

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

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

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

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

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

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

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

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

(xix) On the basis of the financial ratios disclosed in note 42 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 31 to the standalone financial statements.

(b) There are no ongoing projects and hence the requirement to report on clause (xx)(b) of the Order is not applicable to the Company. This matter has been disclosed in note 31 to the standalone financial statements.

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274IYQROQ2968

Place: Gurugram
Date: May 21, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HONASA CONSUMER LIMITED

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

We have audited the internal financial controls with reference to the standalone financial statements of Honasa Consumer Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274IYQROQ2968

Place: Gurugram
Date: May 21, 2026

Standalone Balance Sheet

as at March 31, 2026

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

	Notes	As at March 31, 2026	As at March 31, 2025*
Assets			
Non-current assets			
Property, plant and equipment	3(a)	112.50	127.86
Capital work-in-progress	3(b)	-	0.82
Goodwill	4	164.38	164.38
Other intangible assets	5	700.72	713.05
Right-of-use assets	6	897.35	971.78
Financial assets			
i. Investments	7	3,143.65	958.56
ii. Loans	8	25.00	-
iii. Other financial assets	9	5,982.02	4,628.05
Income tax assets (net)	10	36.63	3.41
Deferred tax assets (net)	23	85.65	74.60
Other non-current assets	11	1.77	1.52
Total non-current assets		**11,149.67**	**7,644.03**
Current assets			
Inventories	12	1,469.99	1,555.21
Financial assets			
i. Investments	7	2,350.55	2,951.49
ii. Trade receivables	13	1,960.78	1,320.87
iii. Cash and cash equivalents	14	1,018.37	251.60
iv. Bank balances other than cash and cash equivalents	15	878.70	2,932.08
v. Loans	8	-	25.00
vi. Other financial assets	9	507.52	505.01
Other current assets	11	731.19	329.19
Total current assets		**8,917.10**	**9,870.45**
Total assets		**20,066.77**	**17,514.48**
Equity and liabilities			
Equity			
Equity share capital	16	3,253.70	3,251.84
Other equity	17	10,707.30	8,481.85
Total equity		**13,961.00**	**11,733.69**
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	6	797.68	881.32
ii. Other financial liabilities	18	-	8.20
Provisions	19	104.28	92.64
Total non-current liabilities		**901.96**	**982.16**
Current liabilities			
Financial liabilities			
i. Lease liabilities	6	288.50	216.62
ii. Trade payables	21		
(a) Total outstanding dues of micro enterprises and small enterprises		437.40	303.41
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,149.87	3,259.43
iii. Other financial liabilities	18	331.72	193.93
Provisions	19	98.83	82.56
Other current liabilities	20	519.95	361.57
Income tax liability (net)	22	377.54	381.11
Total current liabilities		**5,203.81**	**4,798.63**
Total liabilities		**6,105.77**	**5,780.79**
Total equity and liabilities		**20,066.77**	**17,514.48**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

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

	Notes	Year ended March 31, 2026	Year ended March 31, 2025*
Income			
Revenue from operations	24	23,054.12	20,218.43
Other income	25	806.63	774.40
Total income (I)		**23,860.75**	**20,992.83**
Expenses			
Purchases of traded goods	26	6,890.86	6,481.94
Decrease/(Increase) in inventories of traded goods	27	94.93	(427.56)
Employee benefits expenses	28	2,451.10	1,873.65
Depreciation and amortisation expenses	29	344.76	355.25
Finance costs	30	105.26	105.39
Other expenses	31	11,478.78	11,755.49
Total expenses (II)		**21,365.69**	**20,144.16**
Profit before exceptional items and taxes (III = I-II)		**2,495.06**	**848.67**
Exceptional Items (IV)	46	(47.97)	-
Profit before tax (V = III+IV)		**2,447.09**	**848.67**
Tax expenses			
Current tax	23	562.28	260.23
Deferred tax (credit)	23	(23.46)	(101.26)
Total tax expenses (VI)		**538.82**	**158.97**
Profit for the year (VII = V-VI)		**1,908.27**	**689.70**
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		49.29	(0.27)
Income tax effect on above	23	(12.41)	0.07
Total other comprehensive income/(loss) for the year, net of tax (VIII)		**36.88**	**(0.20)**
Total comprehensive income for the year, net of tax (IX = VII+VIII)		**1,945.15**	**689.50**
Earnings per equity share	32		
Basic			
Basic (Nominal value of ₹ 10 each)		5.86	2.12
Diluted			
Diluted (Nominal value of ₹ 10 each)		5.84	2.12

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

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

	Year ended March 31, 2026	Year ended March 31, 2025*
Operating activities		
Profit before tax	**2,447.09**	**848.67**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	66.19	68.81
Amortisation of intangible assets	12.34	10.29
Depreciation of right-of-use assets	266.23	276.15
Allowance for doubtful debts	16.90	124.28
Provision for slow moving inventory	(34.11)	92.30
Loss on sale of property, plant and equipment	0.11	16.42
Share based payments expenses (equity settled)	287.88	69.81
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')	(13.66)	(79.11)
Change in fair value of derivative liability	2.64	-
Gain on sale of investments measured at FVTPL	(141.22)	(108.04)
Gain on lease modification	(4.53)	-
Interest income	(624.58)	(560.74)
Unrealised foreign exchange gain, net	(4.54)	-
Finance costs	105.26	105.39
Operating cash flow before working capital changes	**2,382.00**	**864.23**
Movement in working capital:		
(Increase)/Decrease in trade receivables	(645.74)	147.70
(Increase) in other financial assets	(32.56)	(63.33)
Increase in trade payables	17.87	611.25
Increase in financial liabilities	117.83	9.39
Increase in provisions	77.20	49.51
Decrease/(Increase) in inventories	124.75	(431.52)
Increase/(Decrease) in other liabilities	158.38	(305.64)
(Increase) in other assets	(407.41)	(50.70)
Cash flow generated from operations	**1,792.32**	**830.89**
Income tax (paid)/refunded, net	(599.07)	72.46
Net cash flow generated from operating activities (A)	**1,193.25**	**903.35**
Investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital advances and payable for capital goods)	(56.60)	(106.59)
Sale of property, plant and equipment	4.21	4.55
Payment of Initial direct costs on leases	-	(0.47)
Purchase of intangible assets, including payable for capital goods	-	(32.55)
Investment in subsidiaries	(1,979.62)	(162.23)
Investment in Joint Venture	(99.98)	-
Investment in deposits	(3,300.18)	(6,907.23)
Redemption of deposits	4,251.22	5,250.61
Purchase of current investment	(1,749.10)	(1,216.95)
Redemption of current investment	2,400.93	1,331.84
Interest received	398.65	390.89
Net cash flow (used in) from investing activities (B)	**(130.47)**	**(1,448.13)**

Standalone Statement of Cash Flows

for the year ended March 31, 2026

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

	Year ended March 31, 2026	Year ended March 31, 2025*
Financing activities		
Proceeds from issuance of equity shares	3.95	47.90
Principal repayment of lease liabilities	(194.70)	(186.24)
Interest on lease liabilities	(100.24)	(101.29)
Finance cost paid	(5.02)	(2.62)
Net cash flows (used in) financing activities (C)	**(296.01)**	**(242.25)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**766.77**	**(787.03)**
Cash and cash equivalents at the beginning of the year	251.60	1,038.63
Cash and cash equivalents at the end of the year	**1,018.37**	**251.60**
Components of cash and cash equivalents (Refer note 14)		
Balance with banks		
- In current accounts	568.19	246.03
- Deposits with original maturity of less than or equal to three months	449.90	5.00
Cash in hand	0.28	0.57
Total cash and cash equivalents	**1,018.37**	**251.60**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Reconciliation between opening and closing liabilities arising from financing activities:

	Opening balance	Cash flows	Non-cash movement	Closing balance
March 31, 2026				
Leases liabilities (including interest)	1,097.94	(294.94)	283.18	1,086.18
Total liabilities from financing activities	**1,097.94**	**(294.94)**	**283.18**	**1,086.18**
March 31, 2025*				
Leases liabilities (including interest)	1,101.92	(287.53)	283.55	1,097.94
Total liabilities from financing activities	**1,101.92**	**(287.53)**	**283.55**	**1,097.94**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

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

a) Equity share capital

(i) Equity shares of ₹ 10 each issued, subscribed and fully paid

	No. of shares	Amount
As at April 01, 2024	**32,42,44,157**	**3,242.44**
Issued during the year (Refer Note (i) below)	9,39,453	9.40
As at March 31, 2025	**32,51,83,610**	**3,251.84**
As at April 01, 2025	32,51,83,610	3,251.84
Issued during the year (Refer Note (ii) below)	1,86,184	1.86
As at March 31, 2026	**32,53,69,794**	**3,253.70**

Note:

i. During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹ 10 each on exercise of ESOP. Also refer note 16.

ii. During the year ended March 31, 2026, the Company issued 186,184 equity shares of ₹ 10 each on exercise of ESOP. Also refer note 16.

b) Other equity

For the year ended March 31, 2026

	Reserve & Surplus				
	Retained earnings (Note 17)	Securities premium (Note 17)	Share based payment reserve (Note 17)	Capital redemption reserve (Note 17)	Total other equity
As at April 01, 2025	792.99	7,495.42	193.41	0.03	8,481.85
Profit for the year	1,908.27	-	-	-	1,908.27
Other comprehensive income					
Re-measurement gains on defined benefit plans (net)	36.88	-	-	-	36.88
Total comprehensive income	1,945.15	-	-	-	1,945.15
Add: Premium received on issue of equity shares	-	2.09	-	-	2.09
Add: Share based payment expense for the year (refer note 38)	-	-	287.88	-	287.88
Less: Transferred to securities premium on exercise of stock options	-	45.04	(45.04)	-	-
Less: Transferred to other financial liabilities (Refer note 38)	-	-	(10.01)	-	(10.01)
Add: Options granted to employees of subsidiaries	-	-	0.34	-	0.34
As at March 31, 2026	2,738.14	7,542.55	426.58	0.03	10,707.30

Standalone Statement of Changes in Equity

for the year ended March 31, 2026

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

For the year ended March 31, 2025

	Reserve & Surplus				
	Retained earnings (Note 17)	Securities premium (Note 17)	Share based payment reserve (Note 17)	Capital redemption reserve (Note 17)	Total other equity
As at April 01, 2024*	**103.49**	**7,331.23**	**248.10**	**0.03**	**7,682.85**
Profit for the year	689.70	-	-	-	689.70
Other comprehensive loss					
Re-measurement losses on defined benefit plans (net)	(0.20)	-	-	-	(0.20)
Total comprehensive income/(loss)	**689.50**	**-**	**-**	**-**	**689.50**
Add: Premium received on issue of equity shares	-	38.50	-	-	38.50
Add: Share based payment expense for the year (refer note 38)	-	-	69.81	-	69.81
Less: Transferred to securities premium on exercise of stock options	-	125.69	(125.69)	-	-
Add: Options granted to employees of subsidiaries	-	-	1.19	-	1.19
As at March 31, 2025*	**792.99**	**7,495.42**	**193.41**	**0.03**	**8,481.85**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Corporate information and summary of material accounting policies (refer note 1 & 2.2)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

1 Corporate Information

The Standalone Financial Statements comprise financial statements of Honasa Consumer Limited ("the Company") (CIN: L74999DL2016PL₹306016) for the year ended March 31, 2026. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India, viz., National Stock Exchange of India Limited and the BSE Limited. The registered office of the Company is located at Unit No 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Company is principally engaged in trading of variety of beauty and personal care products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'Aqualogica', 'Dr Sheths', 'BBlunt', 'Staze' and 'Lumineve'. The Company sells its products primarily in India.

The Standalone Financial Statements for the year ended March 31, 2026 were approved for issue in the meeting of the Board of Directors held on May 21, 2026.

During the year ended March 31, 2025, the Board of Directors of the Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Transferor Company-1') and Just4Kids Services Private Limited ('Transferor Company-2'), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company.

The Company has received the order granting approval of merger by NCLT Chandigarh on May 08, 2025 and by NCLT Delhi on June 03, 2025.

Since this was a common control transaction, the Company has accounted for the aforesaid business combination retrospectively in the standalone financial statements in accordance with Ind AS 103 - Business Combinations. Accordingly, figures for the year ended March 31, 2025 have been restated to give the effect of aforesaid business combination. Refer note 44.

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

The Standalone Financial Statements of the Company as at and for the year ended March 31, 2026 are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 ('the Act') (as amended from time to time), (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

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

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

- equity settled ESOP at grant date fair value
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- derivative liability measured at fair value.

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

2.2 Material Accounting Policies

2.2.1 Investment in subsidiaries and joint ventures

A subsidiary is an entity that is controlled by another entity. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its subsidiaries and joint ventures are accounted at cost less impairment.

Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in P&L, if any.

Notes to the Standalone Financial Statements

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2.2.2 Current versus non-current classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

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

2.2.3 Foreign currency translation

(i) Functional and presentation currency:

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

(ii) Transactions and balances:

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

2.2.4 Fair value measurement

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

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

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

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

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

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

2.2.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the purchase cost 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress is stated at cost, net of accumulated statement of impairment loss, if any.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from

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that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are recognised in profit or loss as incurred.

The exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management. These useful lives differ from those prescribed under Schedule II to the Companies Act 2013 (as amended) and have been assessed based on technical advice by technical expert and considering aspects such as nature of the asset, the estimated usage, physical wear and tear, operating conditions, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc., as below:

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

Leasehold improvements are amortised on a straight line basis over the period of lease or estimated useful lives of the assets, which ever is lower.

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

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

2.2.6 Intangible assets

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

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

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

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

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

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

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Brand	Indefinite*	No Amortisation	Acquired
Trademarks	5 years	Straight Line	Acquired
Design and Formulation	0.5 years to 1 year	Straight Line	Acquired
Software	1-6 years	Straight Line	Acquired
Goodwill	Indefinite*	No Amortisation	Acquired

** Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.*

2.2.7 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and brand are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill and brand by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill and brand relate to. When the recoverable amount of the CGU is less than 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.

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2.2.8 Inventories

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

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

Obsolete, slow moving and defective/damage/near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.2.9 Revenue recognition

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

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

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products, which is generally on delivery of the products. Revenue from the sale of products is measured at the value which reflects the consideration to which the entity expects to be entitled in exchange of such goods, net of returns and allowances, discounts and incentives. Revenue is measured at amount of "Transaction Price" as per Ind AS 115.

Right of return

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

Volume rebates

The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Variable consideration

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

Non-Cash consideration

The Company measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be reasonably estimated, the company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

Customer wallet points

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

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability

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until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

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

Interest income

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company completes its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return and volume rebates. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.2.10 Leases

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

The Company as a lessee

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

Right-of-use assets

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

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

Particulars	Useful lives (years)
Buildings	2-13 years
Computer & Peripherals	3 years

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

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in

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

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

Short-term leases and leases of low-value assets

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

2.2.11 Retirement/Post- employment and other employee benefits

Short-term obligations

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

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

Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Defined benefits obligations

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. Further, net interest is calculated by applying the discount rate to the net defined benefit liability or asset and recognised in the profit or loss.

Defined contribution plan

Retirement benefit in the form of provident fund scheme are the defined contribution plans. The Company has

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no obligation, other than the contribution payable. The Company recognises contribution payable to these schemes as an expenditure, when an employee renders the related service.

2.2.12 Employee share based payment

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

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of 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 statement of profit or loss.

When the terms of the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to the extent of unvested options, additional fair value is accounted over the remaining vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.2.13 Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

An 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.

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

FVTPL is a residual category for an instruments. Any instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

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

De-recognition

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

(i) The rights to receive cash flows from the asset have expired; or

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

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair

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value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

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

De-recognition

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

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities.

For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

2.2.14 Taxes

Income Tax

Current income tax

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

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Company has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

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

(i) when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

(ii) 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.

Notes to the Standalone Financial Statements

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

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

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

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

Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable,

(ii) When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current/non-current assets/liabilities in the balance sheet.

2.2.15 Segment reporting

Identification of segments

An operating segment is a component of the Company 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 Company), whose operating results are regularly reviewed by the Company'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 Company are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company'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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

The Board of directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessments.

2.2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.2.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

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

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

2.2.18 Contingent liabilities

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

2.2.19 Cash and cash equivalents

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

2.2.20 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.2.21 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management (Note 41)
- Financial risk management objectives and policies (Note 40)
- Sensitivity analysis disclosures (Notes 35 and 40)

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

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

Revenue from contracts with customers

The Company determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Company's past experience regarding these amounts may not be representative of actual amounts in the future.

Leases

The Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease.

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After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Company uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Impairment of financial assets

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

Tax contingencies and provisions

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/ recovered for uncertain tax positions and the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

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

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

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

Fair value measurement of financial instruments

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

2.2.22 Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount

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of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

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

i) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

ii) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

2.2.23 New and amended standards

The Company applied for the first-time the following standards and amendments, which are effective for annual periods beginning on or after April 01, 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective:"

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

(i) What is meant by a right to defer settlement

(ii) That a right to defer must exist at the end of the reporting period

(iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right

(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current. The amendments are effective for annual reporting periods beginning on or after April 01, 2025 retrospectively in accordance with Ind AS 8.

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for the year ended March 31, 2026

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

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

(i) A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

(ii) Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after April 01, 2025, but not for any interim periods ending on or before March 31, 2026.

The amendments had no impact on the Company's standalone financial statements as the Company is not in scope of the Pillar Two model rules.

The aforesaid amendments from (i) to (iv) above did not have a material impact on the Company's standalone financial statements.

2.2.24 Standards notified but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability. In accordance with changes to Ind AS 1 already notified by the MCA as above, the aforesaid relaxations to classify loan as non-current liability will not be available from FY 2026-27 onwards and need to be applied retrospectively. Consequently, a breach of either material or immaterial covenant will trigger current classification of liability and to continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Company does not expect the impact of the aforesaid amendments to be material to the standalone financial statements.

Notes to the Standalone Financial Statements

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

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

	Computer and peripherals	Furniture and fixtures	Office equipment	Plant and machinery	Leasehold Improvements	Total
Cost						
As at April 01, 2024	**3.86**	**77.45**	**31.47**	**12.45**	47.56	**172.79**
Adjustments on account of business combination (refer note 44)	0.48	-	0.02	0.04	-	0.54
Restated balance as at April 01, 2024*	**4.34**	**77.45**	**31.49**	**12.49**	47.56	**173.33**
Additions	5.50	55.65	12.64	14.71	19.53	108.03
Disposals	(5.72)	(27.51)	(1.94)	(1.41)	-	(36.58)
As at March 31, 2025*	**4.12**	**105.59**	**42.19**	**25.79**	67.09	**244.78**
	4.11	**105.59**	**42.19**	**25.79**	67.09	
As at April 01, 2025	**4.12**	**105.59**	**42.19**	**25.79**	67.09	**244.78**
Additions	6.62	19.94	9.17	1.70	17.72	55.15
Disposals	(4.38)	-	-	-	-	(4.38)
As at March 31, 2026	**6.36**	**125.53**	**51.36**	**27.49**	84.81	**295.55**
Accumulated Depreciation						
As at April 01, 2024	2.08	23.90	14.02	9.26	13.99	63.25
Adjustments on account of business combination (refer note 44)	0.42	-	0.02	0.04	-	0.48
Restated balance as at April 01, 2024*	**2.50**	**23.90**	**14.04**	**9.30**	13.99	**63.73**
Charge for the year	0.85	33.58	11.36	3.94	19.08	68.81
Disposals	(1.32)	(11.42)	(1.72)	(1.16)	-	(15.62)
As at March 31, 2025*	**2.03**	**46.06**	**23.68**	**12.08**	33.07	**116.92**
	2.03	**46.06**	**23.69**	**12.07**	33.07	
As at April 01, 2025	**2.03**	**46.06**	**23.68**	**12.08**	33.07	**116.92**
Charge for the year	0.77	29.44	10.78	7.39	17.81	66.19
Disposals	(0.06)	-	-	-	-	(0.06)
As at March 31, 2026	**2.74**	**75.50**	**34.46**	**19.47**	50.88	**183.05**
Net book value						
As at March 31, 2025*	**2.09**	**59.53**	**18.51**	**13.71**	34.02	**127.86**
As at March 31, 2026	**3.62**	**50.03**	**16.90**	**8.02**	33.93	**112.50**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

3 (b) Capital work-in-progress

As at April 01, 2025	0.82
Add: Additions during the year	-
Less: Capitalised during the year	(0.82)
As at March 31, 2026	**-**
As at April 01, 2024	2.88
Add: Additions during the year	20.35
Less: Capitalised during the year	(22.41)
As at March 31, 2025*	**0.82**

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	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2025*					
Projects in progress	0.82	-	-	-	0.82
Projects temporarily suspended	-	-	-	-	-
Total	**0.82**	**-**	**-**	**-**	**0.82**

There are no overdue or cost overrun projects compared to its original plan and no capital work-in-progress which are temporarily suspended, on the above mentioned reporting dates.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

4 Goodwill

Goodwill acquired pertains to the following:

	As at March 31, 2026	As at March 31, 2025*
Bhabani Blunt Hairdressing Private Limited	8.89	8.89
Fusion Cosmeceutics Private Limited (Refer note 44)	155.49	155.49
	164.38	**164.38**

Goodwill impairment testing

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

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

Fusion Cosmeceutics Private Limited (Refer note 44)	As at March 31, 2026	As at March 31, 2025*
Terminal growth rate	5.00%	5.00%
Discount rate	16.50%	15.90%

Bhabani Blunt Hairdressing Private Limited	As at March 31, 2026	As at March 31, 2025*
Terminal growth rate	5.00%	5.00%
Discount rate	16.20%	15.90%

Sensitivity change in assumptions

Based on the above, no impairment was identified as of March 31, 2026 and March 31, 2025 as the recoverable value of the CGUs exceeded the carrying value. Based on the analysis of the calculation's sensitivity to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, the management did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

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

5 Other intangible assets

	Trademarks	Brand	Design and Formulation	Software	Total
Cost or valuation					
As at April 01, 2024	0.01	511.00	20.50	19.38	550.89
Adjustments on account of business combination (refer note 44)	205.89	168.49	-	21.91	396.29
Restated balance as at April 01, 2024*	**205.90**	**679.49**	**20.50**	**41.29**	**947.18**
Additions**	-	-	32.55	-	32.55
As at March 31, 2025*	**205.90**	**679.49**	**53.05**	**41.29**	**979.73**
As at April 01, 2025	**205.90**	**679.49**	**53.05**	**41.29**	**979.73**
Additions	-	-	-	0.01	0.01
As at March 31, 2026	205.90	679.49	53.05	41.30	979.74
Accumulated Amortisation and Impairment					
As at April 01, 2024	0.01	-	20.50	8.08	28.59
Adjustments on account of business combination (refer note 44)	205.89	-	-	21.91	227.80
Restated balance as at April 01, 2024*	**205.90**	**-**	**20.50**	**29.99**	**256.39**
Amortisation	-	-	6.09	4.20	10.29
As at March 31, 2025*	**205.90**	**-**	**26.59**	**34.19**	**266.68**
As at April 01, 2025	**205.90**	**-**	**26.59**	**34.19**	**266.68**
Amortisation	-	-	8.23	4.11	12.34
As at March 31, 2026	205.90	-	34.82	38.30	279.02
Net book value					
As at March 31, 2025*	**-**	**679.49**	**26.46**	**7.10**	**713.05**
As at March 31, 2026	-	679.49	18.23	3.00	700.72

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

*** During the year ended March 31, 2025, the Company entered into an asset purchase agreement with Cosmogenesis Cosmetics to acquire the formulation, expertise, research and development lab along with a small manufacturing facility. The acquisition is accounted for as an asset acquisition transaction in accordance with Ind AS 103. The assets acquired have been recorded at their fair value.*

6 Right-of-use assets and lease liabilities

(a) Company as a lessee

The Company has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 13 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

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

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

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

	Buildings	Computer and Peripherals	Total
Cost			
As at April 01, 2024	**1,236.21**	**87.52**	**1,323.73**
Additions	174.49	39.46	213.95
Modification	(39.79)	-	(39.79)
As at March 31, 2025*	**1,370.91**	**126.98**	**1,497.89**
As at April 01, 2025	**1,370.91**	**126.98**	**1,497.89**
Additions	183.13	37.07	220.20
Modification	(47.81)	-	(47.81)
As at March 31, 2026	**1,506.23**	**164.05**	**1,670.28**
Accumulated Depreciation			
As at April 01, 2024	**219.15**	**47.24**	**266.39**
Charge for the year	246.45	29.70	276.15
Modification	(16.43)	-	(16.43)
As at March 31, 2025*	**449.17**	**76.94**	**526.11**
As at April 01, 2025	**449.17**	**76.94**	**526.11**
Charge for the year	229.72	36.51	266.23
Modification	(19.41)	-	(19.41)
As at March 31, 2026	**659.48**	**113.45**	**772.93**
Net book value			
As at March 31, 2025*	**921.74**	**50.04**	**971.78**
As at March 31, 2026	**846.75**	**50.60**	**897.35**

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

Carried at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025*
Non current		
Lease liabilities	797.68	881.32
Total non-current lease liabilities (A)	**797.68**	**881.32**
Current		
Lease liabilities	288.50	216.62
Total current lease liabilities (B)	**288.50**	**216.62**
Total lease liabilities (C=A+B)	**1,086.18**	**1,097.94**

(d) Following are the amounts recognised in the Statement of Profit and Loss:

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Depreciation of right-of-use-assets (Note 29)	266.23	276.15
Interest expense on lease liability (Note 30)	100.24	101.29
Rent expenses for short term lease (Note 31)	108.80	70.29
Gain on lease modification (Note 25)	4.53	-
	479.80	**447.73**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

(e) Impact on Statement of cash flow

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Lease payments (including interest)	294.94	287.53
	294.94	**287.53**
Payment of principal portion of lease liabilities	194.70	186.24
Payment of interest portion of lease liabilities	100.24	101.29
	294.94	**287.53**

(f) Movement in lease liabilities for the year ended March 31, 2026 and March 31, 2025:

	As at March 31, 2026	As at March 31, 2025*
Balance at the beginning of the year	1,097.94	1,101.92
Add: Additions	215.87	205.57
Add/(Less): Modifications	(32.93)	(23.31)
Add: Interest on lease liabilities	100.24	101.29
Less: Payment of lease liabilities (including interest)	(294.94)	(287.53)
Balance at the end of the year	**1,086.18**	**1,097.94**

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

	As at March 31, 2026	As at March 31, 2025*
Less than one year	356.24	302.72
One to five years	749.91	809.36
More than five years	238.64	325.08
Total	**1,344.79**	**1,437.16**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

7 Investments

	As at March 31, 2026	As at March 31, 2025*
Non-current		
Investment in subsidiaries		
(Unquoted and valued at amortised cost)		
27,584 equity shares (March 31, 2025: 27,584) of ₹ 10 each in Bhabani Blunt Hairdressing Private Limited (refer Note (i))**	956.56	956.22
1,000 equity shares (March 31, 2025: 1,000) of AED 100 each in Honasa Consumer General Trading LLC	2.34	2.34
9,500 equity shares (March 31, 2025: Nil) of ₹ 10 each in BTM Ventures Private Limited (refer Note (ii))	1,980.77	-
Total Investment in subsidiaries [A]	**2,939.67**	**958.56**
Investment in Joint Venture		
(Unquoted and valued at amortised cost)		
3,508 Compulsorily Convertible Preference Shares (March 31, 2025: Nil) of ₹ 10 each in Couch Commerce Private Limited (refer Note (iii))	99.98	-
Total Investment in Joint Venture [B]	**99.98**	**-**
Aggregate amount of unquoted investments [C = A+B]	**3,039.65**	**958.56**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Investment in bonds and debentures

(Quoted and valued at amortised cost)

	No. of units		Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
8% India Infradebt	500.00	-	52.16	-
7.65% Sundaram Home Finance	500.00	-	51.84	-
Total non-current Investment in quoted bonds and debentures valued at amortised cost [D]			**104.00**	**-**
Total non-current Investments [E = C+D]			**3,143.65**	**958.56**
Aggregate book value of quoted non-current investments [Refer D above]			104.00	-
Aggregate market value of quoted non-current investments			104.00	-
Aggregate amount of impairment in value of unquoted investments			-	-

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

*** Includes share based payment expenses on options granted to employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹ 10.36 million (March 31, 2025: ₹ 10.02 million.)*

Name of entity	Nature	Country of incorporation	Date of acquisition	Ownership interest held by Company in %	
				March 31, 2026	March 31, 2025
Bhabani Blunt Hairdressing Private Limited	Subsidiary	India	March 16, 2022	100.00%	100.00%
BTM Ventures Private Limited	Subsidiary	India	January 06, 2026	95.00%	-
Honasa Consumer General Trading LLC	Subsidiary	UAE	June 23, 2022	100.00%	100.00%
Couch Commerce Private Limited	Joint Venture	India	December 16, 2025	25.00%	-

Note:

i. During the financial year ended March 31, 2025, the Company had acquired additional 4,063 equity shares of Bhabani Blunt Hair Dressing Private Limited for a consideration of ₹ 162.23 million.

ii. On January 06, 2026, the Company acquired 95% in BTM Ventures Private Limited ("Reginald Men" and "Molecular") by virtue of a Share Purchase Agreement. The Company has acquired 9,500 equity shares for a consideration of ₹ 1,979.62 million. The Company has also committed to acquire the remaining 5% stake in Reginald Men which aggregates to 500 equity shares as per the terms of the share purchase agreement where both the parties have an obligation to buy and sell respectively at an agreed valuation and the same has been treated as a derivative instrument and accordingly ₹ 1.15 million has been recognised as derivative liability as on date of acquisition and has been added to the investment value, which is fair valued through profit and loss account for the year ended March 31, 2026 (Refer note 18). Reginald Men is engaged in the business of beauty and personal care products under the brand name 'Reginald men' and 'Molecular'.

iii. On December 16, 2025, the Company has acquired 25% in Couch Commerce Private Limited ('Fang Oral' or 'joint venture') by virtue of a Share Purchase and Share Subscription Agreement. The Company has acquired 3,508 Compulsorily Convertible Preference Shares at a consideration of ₹ 99.98 million. The Company has also has a right to buy (not an obligation to sell) additional stake not exceeding 51% total holding in case the joint venture achieves a certain revenue. Considering that such option is out-of-money for the Company as on March 31, 2026, no accounting for the same is done in accordance with Ind AS 109.

The joint venture is engaged into the business of retail trading, marketing, and sale of oral hygiene products under the brand name 'Fang Oral'.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Current

Investment in bonds and debentures

(Quoted and valued at amortised cost)

	No. of units		Amount	
	As at March 31, 2026	As at March 31, 2025*	As at March 31, 2026	As at March 31, 2025*
8% India Infradebt	-	500.00	-	51.71
7.65% Sundaram Home Finance	-	500.00	-	51.33
Total current Investment in quoted bonds and debentures valued at amortised cost [F]			-	**103.04**
Investment in Quoted Mutual Funds				
(valued at fair value through profit and loss "FVTPL")				
SBI Corporate Bond Fund Direct-G	74,70,350	30,08,137	123.30	46.95
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-G	28,87,580	28,87,580	37.17	34.79
HDFC Corporate Bond Direct - Growth**	62,98,078	62,98,078	214.98	204.95
ICICI Prudential Corporate Bond Direct - Growth**	82,53,324	82,53,324	267.89	252.15
DSP Short Term Direct - Growth	-	36,85,984	-	182.22
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	122.01	114.64
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	191.33	180.08
HDFC Floating Rate Debt Direct - Growth	-	1,65,709	-	8.25
HDFC Nifty G-sec Dec 2026 Index Direct-G	38,89,834	38,89,834	49.50	46.40
HDFC Nifty G-Sec Jun 2027 Index Direct-G	29,36,222	29,36,222	37.32	34.90
Axis Banking & PSU Debt Direct - Growth**	12,250	12,250	34.46	32.56
Axis Strategic Bond Fund Direct - Growth**	37,96,366	37,96,366	121.95	113.98
Kotak Corporate Bond Direct - Growth**	29,390	29,390	119.94	113.09
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	25.23	23.52
HSBC Corporate Bond (formerly known as L&T Triple Ace Bond Direct-Growth)**	11,31,887	11,31,887	91.35	86.01
ICICI Pru Short Term Direct - Growth	7,65,761	7,65,761	52.42	49.06
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,838	37.30	35.55
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	24.19	20.58
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	29.09	24.51
ICICI Prudential Corporate Credit Opportunities AIF I	26,463	1,41,772	2.03	13.74
ICICI Pru Floating Interest Direct-G	-	65,359	-	29.59
Nippon India Corporate Bond Direct - Growth**	9,84,373	9,84,373	64.12	60.50
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	68.61	64.44
Edelweiss Credit Plus Fund AIF	10	10	0.08	0.07
Aditya Birla SL Money Manager Direct-G	7,17,499	9,42,140	281.38	346.40
Aditya Birla SL Overnight Fund Direct-G	-	1,36,506	-	50.19
Aditya Birla SL Corporate Bond Direct-G	3,14,491	3,14,491	37.09	35.37
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-G	48,33,724	48,33,724	61.54	57.91
Bandhan Corporate Bond Direct-G	6,07,706	6,07,706	12.48	11.76
Bandhan Dynamic Bond Direct-G	20,72,774	20,72,774	79.19	77.69

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

	No. of units		Amount	
	As at March 31, 2026	As at March 31, 2025*	As at March 31, 2026	As at March 31, 2025*
Bandhan Bond Short Term Direct-G	1,10,212	23,54,846	7.00	140.73
ICICI Pru Equity Savings Direct-G	64,72,118	64,72,118	157.60	151.38
ICICI Pru Money Market Direct-G	-	5,42,907	-	204.49
Total quoted investment in mutual funds valued at FVTPL [G]			**2,350.55**	**2,848.45**
Total current Investments [H = F+G]			**2,350.55**	**2,951.49**
Aggregate book value of current investments (quoted) [Refer H above]			2,350.55	2,951.49
Aggregate market value of current investments (quoted)			2,350.55	2,951.49
Aggregate amount of impairment in value of quoted investments			-	-

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

*** Includes an amount of ₹ 294.70 million (March 31, 2025: ₹ 294.70 million) secured against bank guarantees on limits with banks.*

8 Loans

	As at March 31, 2026	As at March 31, 2025*
Non-Current		
(Unsecured, considered good, carried at amortised cost)		
Loan to Subsidiaries		
Loan to Honasa Consumer General Trading L.L.C#	25.00	-
	25.00	**-**
Current		
(Unsecured, considered good, carried at amortised cost)		
Loan to Subsidiaries		
Loan to Honasa Consumer General Trading L.L.C#	-	25.00
	-	**25.00**

Disclosure required under Sec 186(4) of the Companies Act, 2013

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2013

Name	Rate of Interest	Due Date	Secured/Unsecured	March 31, 2026	March 31, 2025
Honasa Consumer General Trading L.L.C	8.60%	January 19, 2028	Unsecured	25.00	25.00

 # The aforesaid loans carry interest rate @ 8.6% p.a. Loan to Honasa Consumer General Trading L.L.C was due during the current year, however the same has been extended for 2 years till January 19, 2028.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

9 Other financial assets

	As at March 31, 2026	As at March 31, 2025*
(Unsecured, considered good, carried at amortised cost)		
Non-current		
Security deposits	56.38	59.13
Deposit with maturity of more than 12 months**#	5,482.59	4,380.26
Interest accrued	443.05	188.66
	5,982.02	**4,628.05**
Current		
Security deposits	60.68	49.82
Interest accrued	101.34	136.25
Recoverable from payment partners	345.37	318.94
Other receivables	0.13	-
	507.52	**505.01**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

*** Includes an amount of ₹ 70.24 million (March 31, 2025: ₹ 70.24 million) secured against bank guarantees issued.*

 # Includes ₹ 277.85 million (March 31, 2025: ₹ 297.75 million) lien against overdraft facility with the banks and against credit card.

10 Income tax assets (net)

	As at March 31, 2026	As at March 31, 2025*
Non-current		
Advance tax (net)	36.63	3.41
	36.63	**3.41**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

11 Other assets

	As at March 31, 2026	As at March 31, 2025*
Non-current		
Capital advances	1.77	1.52
	1.77	**1.52**
Current		
Balance with government authorities	566.66	214.86
Advance to employees	5.37	8.32
Prepaid expenses	53.22	42.33
Advance to suppliers	51.43	31.07
Right to receive inventory on provision for sales return	68.08	38.26
Less: Inventory provision against right to receive inventory	(13.57)	(8.15)
Others	-	2.50
	731.19	**329.19**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

12 Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025*
Traded goods [includes goods in transit of ₹ 34.65 million (March 31, 2025: ₹ 32.72 million)] (Refer note 27)	1,610.42	1,735.17
Less: Provision for slow moving inventories#	(140.43)	(179.96)
	1,469.99	**1,555.21**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

 # During the year ended March 31, 2026, ₹ 13.57 million (March 31, 2025: ₹ 8.15 million) has been reclassified to provision on right to receive inventory.

13 Trade receivables

Carried at amortised cost

	As at March 31, 2026	As at March 31, 2025*
Trade receivables	1,960.78	1,320.87
	1,960.78	**1,320.87**
Break-up for security details		
Trade receivables		
Unsecured, considered good	1,960.78	1,320.87
Trade receivables - credit impaired	224.31	240.52
	2,185.09	**1,561.39**
Impairment allowance (allowance for doubtful debts)		
Trade receivables - credit impaired	(224.31)	(240.52)
	(224.31)	**(240.52)**
Total trade receivables (net)	**1,960.78**	**1,320.87**

i. Movement in impairment allowance (allowance for doubtful debts)

	As at March 31, 2026	As at March 31, 2025*
Opening balance	240.52	160.99
Add: Charge for the year	16.90	124.28
Less: Reversal/write off during the year	(33.11)	(44.75)
Closing balance	**224.31**	**240.52**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

ii. Ageing schedule for trade receivables:

As at March 31, 2026

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	1,300.63	660.15	-	-	-	-	1,960.78
Undisputed - credit impaired	-	72.55	26.10	42.05	10.00	-	150.70
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	1.45	1.50	4.49	47.82	18.35	-	73.61
Total	**1,302.08**	**734.20**	**30.59**	**89.87**	**28.35**	**-**	**2,185.09**

As at March 31, 2025*

	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - considered good	992.02	328.85	-	-	-	-	1,320.87
Undisputed - credit impaired	28.10	129.01	41.52	33.61	8.28	-	240.52
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-	-
Total	**1,020.12**	**457.86**	**41.52**	**33.61**	**8.28**	**-**	**1,561.39**

iii. There are no non-current trade receivables as on March 31, 2026 and as at March 31, 2025.

iv. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person other than disclosed in note 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.

v. Trade receivables are non-interest bearing and have a credit period ranging between 30-180 days.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

14 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025*
Cash in hand	0.28	0.57
Balance with banks		
- In current accounts	568.19	246.03
- Deposits with original maturity of less than or equal to three months	449.90	5.00
	1,018.37	**251.60**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash in hand	0.28	0.57
Balance with banks		
- In current accounts	568.19	246.03
- Deposits with original maturity of less than or equal to three months	449.90	5.00
	1,018.37	**251.60**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

15 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025*
Deposits with original maturity of more than three month but less than or equal to twelve months	878.70	2,932.08
	878.70	**2,932.08**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

16 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares Numbers	Amount
Equity share capital of ₹ 10 each		
As at April 01, 2024	**34,00,00,000**	**3,400.00**
Increase during the year	-	-
As at March 31, 2025	**34,00,00,000**	**3,400.00**
As at April 01, 2025	**34,00,00,000**	**3,400.00**
Increase on account of Amalgamation (Refer note 44)	12,65,000	12.65
As at March 31, 2026	**34,12,65,000**	**3,412.65**
Equity share capital of ₹ 100 each		
As at April 01, 2024	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2025	**580**	**0.06**
As at April 01, 2025	**580**	**0.06**
Increase during the year	-	-
As at March 31, 2026	**580**	**0.06**
Equity share capital of ₹ 90 each		
As at April 01, 2024	**290**	**0.03**
Increase during the year	-	-
As at March 31, 2025	**290**	**0.03**
As at April 01, 2025	**290**	**0.03**
Increase during the year	-	-
As at March 31, 2026	**290**	**0.03**

b) Issued share capital

	Equity Shares Numbers	Amount
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2024*	**32,42,44,157**	**3,242.44**
Issued during the year (Refer Note (ii) below)	9,39,453	9.40
As at March 31, 2025	**32,51,83,610**	**3,251.84**
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2025	**32,51,83,610**	**3,251.84**
Issued during the year (Refer Note (i) below)	1,86,184	1.86
As at March 31, 2026	**32,53,69,794**	**3,253.70**

Notes:

(i) During the year ended March 31, 2026, the Company issued 186,184 equity shares of ₹ 10 each against allotment of ESOP.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(ii) During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹ 10 each against allotment of ESOP.

(iii) There are no outstanding numbers of issued shares of Face Value of ₹ 100 each and ₹ 90 each as at March 31, 2026 and March 31, 2025. Thus, movement of the same has not been disclosed above.

c) Terms/rights attached to equity shares

The Company has equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to have one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, as proportion to their holdings.

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

	As at March 31, 2026		As at March 31, 2025*	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹ 10 each, fully paid				
Varun Alagh	10,55,82,701	32.45%	10,37,30,850	31.90%
Peak XV Partners Investments VI	4,82,63,012	14.83%	4,82,63,012	14.84%
ICICI Prudential Life Insurance Company Limited	2,74,67,996	8.44%	2,53,90,108	7.81%

e) Details of shares held by promoters:

Equity shares of ₹ 10 each, fully paid

As at March 31, 2026

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	10,37,30,850	18,51,851	10,55,82,701	32.45%	1.79%
Ghazal Alagh	99,64,700	-	99,64,700	3.06%	0.00%

As at March 31, 2025*

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	10,35,50,850	1,80,000	10,37,30,850	31.90%	0.17%
Ghazal Alagh	99,64,700	-	99,64,700	3.06%	-

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 38.

g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each.

(ii) During the year ended March 31, 2023, 290 equity shares of face value of ₹ 90 per share were bought back for ₹ 90 per share.

(iii) During the year ended March 31, 2024, the Company has converted the NCCCPS into equity shares of ₹ 10 per share in the conversion ratio of 1:12,900.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

16 A Instrument entirely in the nature of equity

Preference shares

i) **Authorised share capital**

0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 10 each

	NCCCPS	
	Numbers	Amount
As at April 01, 2024	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2025	**26,730**	**0.27**
As at April 01, 2025	26,730	0.27
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase on account of Amalgamation (Refer note 44)		
NCCCPS	8,86,000	8.86
Series A1 NCCCPS	20,000	0.20
As at March 31, 2026	**9,32,730**	**9.33**

0.1% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 100 each

	NCCCPS	
	Numbers	Amount
As at April 01, 2024	-	-
Increase during the year	-	-
As at March 31, 2025	**-**	**-**
As at April 01, 2025	-	-
Increase on account of Amalgamation (Refer note 44)		
Series A NCCCPS	20,000	0.20
Series B NCCCPS	5,000	0.50
As at March 31, 2026	**25,000**	**0.70**

The Company has converted the NCCCPS into equity shares of ₹ 10/- each in the conversion ratio of 1:12,900 on October 3, 2023. Further, there are no outstanding numbers of issued NCCCPS as at March 31, 2026 and March 31, 2025. Thus, the movement of the same has not been disclosed above.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

17 Other equity

	As at March 31, 2026	As at March 31, 2025*
Securities premium	7,542.55	7,495.42
Retained earnings	2,738.14	792.99
Share based payment reserve	426.58	193.41
Capital redemption reserve	0.03	0.03
	10,707.30	**8,481.85**

	As at March 31, 2026	As at March 31, 2025*
Securities premium		
Opening Balance	7,495.42	7,331.23
Add: Premium on issue of equity shares	2.09	38.50
Add: Transferred to securities premium on exercise of stock options	45.04	125.69
Closing balance	**7,542.55**	**7,495.42**
Retained earnings		
Opening Balance	792.99	103.49
Add: Profit for the year	1,908.27	689.70
Add: Other comprehensive income/(loss)	36.88	(0.20)
Closing balance	**2,738.14**	**792.99**
Share based payment reserve		
Opening Balance	193.41	248.10
Add: Share based payment expense for the year (Refer note 28 and 38)	287.88	69.81
Add: Options granted to employees of subsidiary companies	0.34	1.19
Less: Transferred to securities premium on exercise of stock options	(45.04)	(125.69)
Less: Transferred to other financial liabilities (Refer Note 38)	(10.01)	-
Closing balance	**426.58**	**193.41**
Capital redemption reserve		
Opening Balance	0.03	0.03
Add: Transfer from retained earnings	-	-
Closing balance	**0.03**	**0.03**

Securities premium:

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

Retained earnings:

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Share based payment reserve:

Shared based payment reserve is used to recognise the grant date fair value of equity-settled Employee stock option outstanding transactions with employees under the Employee stock option plan. Amounts recognised in this reserve are transferred to securities premium upon exercise of the options by employees or transferred to retained earnings when the options lapses.

Capital Redemption reserve:

The capital redemption reserve represents the reserve created by the Company on buy back of equity shares in accordance with the provisions of the Companies Act, 2013.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

18 Other financial liabilities

		As at March 31, 2026	As at March 31, 2025*
Non-Current			
Carried at amortised cost			
Security Deposit		-	8.20
		-	**8.20**
Current			
Carried at fair value through profit and loss			
Derivative liability (Refer note 7(ii))		3.79	-
	(A)	3.79	-
Carried at amortised cost			
Employee benefits payable		305.17	126.59
Payable for capital goods		6.34	8.37
Others		16.42	58.97
	(B)	327.93	**193.93**
	(A+B)	331.72	**193.93**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

19 Provisions

	As at March 31, 2026	As at March 31, 2025*
Non-current		
Provision for Gratuity (Refer note 35 and 46)	104.28	92.64
	104.28	**92.64**
Current		
Provision for Gratuity (Refer note 35 and 46)	28.97	9.01
Provision for Leave benefits (Refer note 46)	69.86	73.55
	98.83	**82.56**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

20 Other liabilities

	As at March 31, 2026	As at March 31, 2025*
Current		
Statutory dues payable	164.84	118.16
Advance from customers (refer note (i) below)	40.89	25.11
Provision for sales return (refer note (i) below and note 24)	300.43	206.96
Deferred revenue (refer note (i) below)	13.79	11.34
	519.95	**361.57**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(i) Movement during the year

	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2024*	**69.18**	**152.48**	**19.48**
Arising during the year	25.11	206.96	11.34
Utilised during the year	(69.18)	(152.48)	(19.48)
Balance as at March 31, 2025*	**25.11**	**206.96**	**11.34**
Balance as at April 01, 2025	**25.11**	**206.96**	**11.34**
Arising during the year	40.89	300.43	13.79
Utilised during the year	(25.11)	(206.96)	(11.34)
Balance as at March 31, 2026	**40.89**	**300.43**	**13.79**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

21 Trade payables

Carried at amortised cost

	As at March 31, 2026	As at March 31, 2025*
Total outstanding dues of micro enterprises and small enterprises ('MSME')	437.40	303.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,149.87	3,259.43
	3,587.27	**3,562.84**

The amount due to micro and small enterprise in the "Micro, small and medium Enterprise Development Act, 2006" (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company in respect of the registration status of its vendors/suppliers. The disclosure relating to micro and small enterprises are as under:

		As at March 31, 2026	As at March 31, 2025*
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	Principal amount due to micro and small enterprises	430.64	298.60
	Interest due on the above	6.76	4.81
	Total	437.40	**303.41**
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
(iii)	The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006:	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year:	1.95	1.69
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006:	6.76	4.81

(a) Trade payables are non-interest bearing and are generally settled up to 60 days

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(b) For explanations on the Company's credit risk management processes, refer to Note 40.

(c) Trade payables ageing schedule:

	Un-billed	Outstanding for following period from date of transaction				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026						
(i) Undisputed dues - MSME	195.33	241.31	0.76	-	-	437.40
(ii) Undisputed dues - Others	1,366.19	1,777.04	6.64	-	-	3,149.87
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,561.52**	**2,018.35**	**7.40**	**-**	**-**	**3,587.27**
As at March 31, 2025*						
(i) Undisputed dues - MSME	-	302.37	1.04	-	-	303.41
(ii) Undisputed dues - Others	1,248.77	2,006.20	0.53	3.93	-	3,259.43
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,248.77**	**2,308.57**	**1.57**	**3.93**	**-**	**3,562.84**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

22 Income tax liability (net)

	As at March 31, 2026	As at March 31, 2025*
Current		
Income tax liability (net of advance tax)	377.54	381.11
	377.54	**381.11**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

23 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

a) Statement of profit and loss

Profit or loss section

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Current income tax:		
Current tax	562.28	260.23
Deferred tax:		
Relating to origination and reversal of temporary differences	(23.46)	(101.26)
Total tax expense	**538.82**	**158.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

b) *Other comprehensive income/(loss)*

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Deferred tax charge/(credit) on remeasurements of defined benefit plans	12.41	(0.07)
Tax expense charged to OCI	**12.41**	**(0.07)**

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Accounting profit before income tax	2,447.09	848.67
Applicable tax rate in India	25.17%	25.17%
Computed tax charge	615.93	213.61
Impact of income taxable at lower rate	(77.60)	-
Deferred tax on carry forward losses on account of merger (Refer Note 44)	-	(43.75)
Expenses/(income) not deductible/taxable under income tax	6.16	(10.58)
Others	(5.67)	(0.31)
Income tax expense reported in the standalone statement of profit and loss	**538.82**	**158.97**

d) Deferred tax relates to the following:

		As at March 31, 2026	As at March 31, 2025*
Deferred tax liability			
Investments valued at fair value		66.80	112.54
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting		56.20	52.88
	A	**123.00**	**165.42**
Deferred tax asset			
Allowance for bad and doubtful debts		56.45	60.36
Provision for gratuity		33.54	25.27
Provision for leave encashment		17.58	18.34
Provision for bonus		0.43	0.43
Provision for deferred revenue		3.46	2.24
Provision for slow moving inventory		38.76	45.21
Leases, net		47.53	31.75
Security deposits, net		7.80	8.34
Brought forward losses and unabsorbed depreciation (Refer Note 44)		-	43.75
Others		3.10	4.33
	B	**208.65**	**240.02**
Net deferred tax asset	A-B	**(85.65)**	**(74.60)**

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

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

e) Reconciliation of deferred tax assets (net):

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Opening balance	(74.60)	26.73
Tax expense/(credit) during the year		
- recognised in statement of profit and loss	(23.46)	(101.26)
- recognised in OCI	12.41	(0.07)
Closing balance as at reporting date	**(85.65)**	**(74.60)**

f) Movement for the year ended March 31, 2026

		March 31, 2025*	Recognised in profit or loss	Recognised in OCI	March 31, 2026
Deferred tax liability					
Investments valued at fair value		112.54	(45.74)	-	66.80
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/ amortisation charged for financial reporting		52.88	3.32	-	56.20
	A	165.42	(42.42)	-	123.00
Deferred tax asset					
Allowance for bad and doubtful debts		60.36	(3.91)	-	56.45
Provision for gratuity		25.27	20.68	(12.41)	33.54
Provision for leave encashment		18.34	(0.76)	-	17.58
Provision for bonus		0.43	-	-	0.43
Provision for deferred revenue		2.24	1.22	-	3.46
Provision for slow moving inventory		45.21	(6.45)	-	38.76
Leases, net		31.75	15.78	-	47.53
Security deposits, net		8.34	(0.54)	-	7.80
Brought forward losses and unabsorbed depreciation		43.75	(43.75)	-	-
Others		4.33	(1.23)	-	3.10
	B	240.02	(18.96)	(12.41)	208.65
Net deferred tax liability/(asset)	A-B	(74.60)	(23.46)	12.41	(85.65)

g) Movement for the year ended March 31, 2025*

		April 01, 2024*	Recognised in profit or loss	Recognised in OCI	March 31, 2025*
Deferred tax liability					
Investments valued at fair value		92.65	19.89	-	112.54
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/ amortisation charged for financial reporting		52.17	0.71	-	52.88
	A	**144.82**	**20.60**	**-**	**165.42**
Deferred tax asset					
Allowance for bad and doubtful debts		40.15	20.21	-	60.36
Provision for gratuity		17.02	8.18	0.07	25.27
Provision for leave encashment		14.18	4.16	-	18.34
Provision for bonus		0.49	(0.06)	-	0.43
Provision for deferred revenue		3.70	(1.46)	-	2.24
Leases, net		22.54	22.67	-	45.21
Provision for slow moving inventory		11.22	20.53	-	31.75
Security deposits, net		8.79	(0.45)	-	8.34
Brought forward losses and unabsorbed depreciation		-	43.75	-	43.75
Others		-	4.33	-	4.33
	B	**118.09**	**121.86**	**0.07**	**240.02**
Net Deferred tax liability/(asset)	(A-B)	**26.73**	**(101.26)**	**(0.07)**	**(74.60)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

24 Revenue from operations

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Sale of products#	23,054.12	20,218.43
Revenue from operations	**23,054.12**	**20,218.43**

 # During the year ended March 31, 2025, the Company had executed Project 'Neev' which entails transition to direct distribution model across top 50 cities and in the process making the general trade distribution future ready. As part of the Project 'Neev' the Company had discontinued super stockist layer as well as certain direct distributors replacing them with higher quality/Tier 1 Distributors to service Retailers across top 50 cities. Consequent to the aforesaid transition, revenue from operations for the year ended March 31, 2025 is net of sales return of ₹ 635.18 million with resulting inventory/right to return asset. As at March 31, 2026, the Company has outstanding provision for sales return of ₹ 27.52 million (March 31, 2025: ₹ 52.01 million) in this regard.

Sale of products (net of Goods and Service Tax)

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Traded goods	23,054.12	20,218.43
	23,054.12	**20,218.43**

24.1 Details of disaggregation of revenue

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

Below are the details of the Company's revenue from operations from external customers by location of operations:-

	For the year ended March 31, 2026	For the year ended March 31, 2025*
India	22,409.57	19,643.03
Outside India	644.55	575.40
	23,054.12	**20,218.43**

Contract balances

	As at March 31, 2026	As at March 31, 2025*
Trade receivables (refer note 13)	1,960.78	1,320.87
Recoverable from Payment Partners (refer note 9)	345.37	318.94
	2,306.15	**1,639.81**
Contract Liabilities		
Advance from customers (refer note 20)	40.89	25.11
Deferred revenue (refer note 20)	13.79	11.34
	54.68	**36.45**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

24.3 Timing of revenue recognition

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Revenue recognised at a point in time	23,054.12	20,218.43
	23,054.12	**20,218.43**

24.4 Reconciling the amount of revenue recognised in the standalone statement of profit and loss with the contracted price

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Revenue as per contracted price	25,736.51	22,348.48
Adjustments		
Provision for sales return	(93.47)	(54.48)
Claims and rebates	(2,588.92)	(2,075.57)
Revenue from contract with customers	**23,054.12**	**20,218.43**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

24.5 Performance obligations and remaining performance obligations:

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

25 Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Interest income on:		
Investments	424.32	280.02
Deposits with bank	191.68	267.45
Loan to subsidiary	2.14	2.15
Income Tax Refund	-	1.49
Unwinding of discount on security deposits	6.45	9.64
Fair value gain on investments measured at FVTPL	13.66	79.11
Gain on sale of investments measured at FVTPL	141.22	108.04
Gain on lease modification	4.53	-
Foreign exchange fluctuation gain (net)	9.24	7.35
Others	13.39	19.15
	806.63	**774.40**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

26 Purchases of traded goods

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Purchases (traded goods)	6,890.86	6,481.94
	6,890.86	**6,481.94**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

27 Decrease/(Increase) in inventories of traded goods

		For the year ended March 31, 2026	For the year ended March 31, 2025*
Inventories at the beginning of the year		1,735.17	1,301.65
Right to receive inventory on provision for sales return at the beginning of the year		38.26	44.22
	(A)	**1,773.43**	**1,345.87**
Inventories at the end of the year		1,610.42	1,735.17
Right to receive inventory on provision for sales return at the end of the year		68.08	38.26
	(B)	**1,678.50**	**1,773.43**
Decrease/(Increase) in inventories of traded goods	(A-B)	**94.93**	**(427.56)**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

28 Employee benefits expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Salaries, wages and bonus	2,037.32	1,684.75
Contribution to provident and other funds (Refer note 35)	23.02	22.92
Gratuity (Refer note 35)	44.43	38.61
Share based payments expenses (equity settled) (Refer note 38)	287.88	69.81
Staff welfare expenses	58.45	57.56
	2,451.10	**1,873.65**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

29 Depreciation and amortisation expense

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Depreciation of property, plant and equipment (refer note 3a)	66.19	68.81
Depreciation of right-of-use-assets (refer note 6)	266.23	276.15
Amortisation of intangible assets (refer note 5)	12.34	10.29
	344.76	**355.25**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

30 Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Interest expense on:		
Lease liabilities	100.24	101.29
Bank overdraft	0.46	0.35
Bank charges	4.56	3.75
	105.26	**105.39**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

31 Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Advertisement expense	7,715.25	7,432.60
Freight and forwarding charges	1,794.76	1,622.04
Sales Commission	614.77	1,133.92
Software support expenses	238.47	229.52
Packaging materials and other consumables	195.42	252.73
Legal and professional charges (refer note (i) below)	318.44	292.28
Contract Labour charges	227.57	213.45
Provision for slow moving inventory	(34.11)	92.30
Travelling and conveyance	114.95	121.72
Allowance for doubtful debts	16.90	124.28
Rent (refer note 6)	108.80	70.29
Repairs and maintenance- others	64.83	61.61
Payment gateway charges	13.64	13.91
Directors sitting fees	7.40	7.40
Loss on sale of property, plant and equipment	0.11	16.42
Power and fuel	19.77	16.27
Insurance	6.41	5.29
Miscellaneous expenses	1.72	4.91
Printing and stationery	0.90	1.17
Corporate social responsibility expenses (Refer note (ii) below)	20.81	15.28
Communication costs	19.97	15.10
Rates and taxes	9.36	13.00
Change in fair value of derivative liability#	2.64	-
	11,478.78	**11,755.49**

 # Refer note 7 and 18.

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Statutory audit fee (excluding goods and services tax)	6.10	5.70
Limited Review Fees	6.60	5.50
Reimbursement of expenses	1.22	1.07
Certification fees	1.10	1.60
	15.02	**13.87**

(ii) Details of CSR Expenditure

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

The Company has spent ₹ 21.22 million (March 31, 2025: ₹ 13.00 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act.

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
a) Gross amount required to be spent by the Company during the year	20.81	15.28
b) Amount approved to be spent by board of directors	21.37	13.00

c) Amount spent during the year ended March 31, 2026

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	21.22	-	21.22

d) Amount spent during the year ended March 31, 2025*

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	13.00	-	13.00

Details of ongoing project and other than ongoing project for year ended March 31, 2026

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

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
0.16	-	20.81	21.22	0.57

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Details of ongoing project and other than ongoing project for year ended March 31, 2025*

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

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance
2.44	-	15.28	13.00	0.16

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

32 Earnings per share

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

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Profit after tax attributable to equity holders of the Company (a)	1,908.27	689.70
Weighted average number of shares outstanding during the year for basic EPS		
Equity shares of ₹ 10 each	32,51,83,610	32,43,15,723
Vested employee stock options##	4,35,645	7,69,761
Total considered for basic EPS (b)	**32,56,19,255**	**32,50,85,484**
Weighted average number of shares outstanding during the year for diluted EPS (c)		
Total considered for basic EPS	32,56,19,255	32,50,85,484
Add: Unvested Employee Stock Options	12,61,658	8,11,660
Total considered for diluted EPS	**32,68,80,913**	**32,58,97,144**
Equity shares of ₹ 10 each	5.86	2.12
Diluted earnings per share (in ₹) (a/c)#		
Equity shares of ₹ 10 each	5.84	2.12

 # For the purpose of computation of diluted EPS, the effect of ESOP has not been given which have anti-dilutive effect.

As the exercise price of options are significantly lower than the share value i.e. no further substantive consideration will be received by the Company on issuance of the shares, the vested option has the substance of an issued share from the effective date of vesting in such a case, the entity includes such vested option in the weighted average number of outstanding shares for basic EPS from the date on which the option vests.

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

33 Distribution made and proposed

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Dividends on equity shares paid	-	-
Proposed dividends on equity shares:**		
Final dividend for the year ended March 31, 2026: ₹ 3.00 per share (March 31, 2025: Nil)	976.11	-

*** The Board of Directors at their meeting held on May 21, 2026 have recommended a final dividend of ₹ 3 per equity share of ₹10 each for the financial year ended March 31, 2026, subject to approval of the shareholders at the ensuing Annual General Meeting. In accordance with Ind AS 10 – 'Events After the Reporting Period', the dividend recommended by the Board of Directors has not been recognised as a liability as at March 31, 2026. The dividend payable is subject to the share capital as at the record date.*

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

34 Related party disclosures

Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

a) Names of related parties and description of relationships:

Entities where control exists	Nature of relationship
Bhabani Blunt Hairdressing Private Limited	Subsidiary (100%)
B:Blunt Spratt Hairdressing Private Limited	Subsidiary of Subsidiary (100%)
PT Honasa Consumer Indonesia	Subsidiary (100%)
Honasa Consumer General Trading L.L.C.	Subsidiary (100%)
BTM Ventures Private Limited (w.e.f. January 6, 2026)	Subsidiary (95%)
Couch Commerce Private Limited (w.e.f. December 16, 2025)	Joint Venture (25%)
Key management personnel (KMP)	
Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta	Independent Director
Subramaniam Somasundaram	Independent Director
Other Key management personnel (KMP):	
Raman Preet Sohi	Chief Financial Officer
Dhanraj Dagar (resigned w.e.f July 10, 2025)	Company Secretary
Gaurav Pandit (w.e.f. July 18, 2025)	Company Secretary

b) Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables for the year ended March 31, 2026 and year ended March 31, 2025. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2026 and March 31, 2025. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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

Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025*
Remuneration paid**		
Varun Alagh	48.38	30.88
Ghazal Alagh	29.98	18.99
Raman Preet Sohi	59.24	37.88
Dhanraj Dagar	1.23	5.02
Gaurav Pandit	3.73	-
	142.56	**92.77**
Sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	**7.40**
Share based payments expenses		
Raman Preet Sohi	59.02	8.33
Dhanraj Dagar	-	0.17
	59.02	**8.50**
Investments made		
Bhabani Blunt Hairdressing Private Limited#	0.34	163.42
BTM Ventures Private Limited##	1,980.77	-
Couch Commerce Private Limited	99.98	-
	2,081.09	**163.42**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Sale of Products		
B:Blunt Spratt Hairdressing Private Limited	0.19	-
Bhabani Blunt Hairdressing Private Limited	0.39	-
	0.58	**-**
Interest income on loan		
Honasa Consumer General Trading L.L.C	2.15	2.15
	2.15	**2.15**
Reimbursement of expenses		
Varun Alagh	0.16	0.33
Ghazal Alagh	0.01	0.33
Raman Preet Sohi	0.02	-
	0.19	**0.66**
Legal and professional charges		
Bhabani Blunt Hairdressing Private Limited	30.93	29.05
	30.93	**29.05**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Expenses incurred on behalf of related parties		
Honasa Consumer General Trading L.L.C	2.25	7.23
Couch Commerce Private Limited	0.88	-
	3.13	**7.23**
Expenses incurred by related parties on behalf of the Company		
B:Blunt Spratt Hairdressing Private Limited	0.18	-
Honasa Consumer General Trading L.L.C	65.01	51.37
	65.19	**51.37**

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

 # Includes share based payment expenses on options granted to employees of Bhabani Blunt Hairdressing Private Limited amounting to ₹ 0.34 million (March 31, 2025: ₹ 1.19 million).

Includes derivative liability of ₹ 1.15 million. Refer note 7.

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

	As at March 31, 2026	As at March 31, 2025*
Other financial assets		
Honasa Consumer General Trading L.L.C	0.13	1.13
	0.13	**1.13**
Trade payables		
Bhabani Blunt Hairdressing Private Limited	7.51	7.55
B:Blunt Spratt Hairdressing Private Limited	0.05	-
Honasa Consumer General Trading L.L.C	19.77	11.20
	27.33	**18.75**
Loans		
Honasa Consumer General Trading L.L.C	25.00	25.00
	25.00	**25.00**
No. of Employee Stock Options Outstanding		
Raman Preet Sohi	7,19,785	1,18,481
Dhanraj Dagar	-	1,548
	7,19,785	**1,20,029**

For investments in subsidiaries, refer note 7.

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

35 Employee benefits plan

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

The Company makes Provident Fund, Employee State Insurance Scheme and Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 23.02 million (March 31, 2025: ₹ 22.92 million) for Provident Fund & other fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

(ii) Defined benefit plans (unfunded):

The Company provides for gratuity under defined benefit plan as per the Code on Social Security, 2020, which subsumes the Payment of Gratuity Act, 1972. Every employees who has completed five years or more of service are entitled to gratuity at 15 days of wages (last drawn) for each completed year or part thereof in excess of six months of service, subject to the statutory ceiling. The scheme is not externally funded.

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

Interest risk	The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity risk	This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of Chapter V (Gratuity) of the Code on Social Security,2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

	As at March 31, 2026	As at March 31, 2025*
Current	28.97	9.01
Non-current	104.28	92.64
	133.25	101.65

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2025:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2024*	68.50	-	68.50
Amount recognised in statement of profit and loss			
Current service cost	33.69	-	33.69
Interest cost on benefit obligation	4.92	-	4.92
Total amount recognised in statement of profit and loss	38.61	-	38.61
Benefits paid	(5.73)	-	(5.73)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	6.58	-	6.58
Experience adjustments	(6.31)	-	(6.31)
Total amount recognised in other comprehensive income	0.27	-	0.27
Contributions by employer	-	-	-
As at March 31, 2025*	101.65	-	101.65

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

Changes in the defined benefit obligation and fair value of plan assets for year ended March 31, 2026:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2025	101.65	-	101.65
Amount recognised in statement of profit and loss			
Current Service cost	37.99	-	37.99
Interest cost on benefit obligation	6.44	-	6.44
Past Service cost (Refer note 46)	40.32	-	40.32
Total amount recognised in statement of profit and loss	84.75	-	84.75
Benefits paid	(3.86)	-	(3.86)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	(43.11)	-	(43.11)
Actuarial changes arising from changes in financial assumptions	12.09	-	12.09
Experience adjustments	(18.27)	-	(18.27)
Total amount recognised in other comprehensive income	(49.29)	-	(49.29)
Contributions by employer	-	-	-
As at March 31, 2026	133.25	-	133.25

(ii) Defined benefit plans (unfunded):

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	As at March 31, 2026	As at March 31, 2025*
Discount rate (p.a.)	6.65%	6.80%
Salary growth rate	10.00%	10.00%
Normal retirement age	60 years	60 years
Attrition/withdrawal (per annum) based on age		
Upto 30 years	35.00%	10.00%
31 to 44 years	25.00%	3.00%
Above 44 years	15.00%	2.00%
Mortality	100% of Indian Assured Lives Mortality (2012-14)	100% of Indian Assured Lives Mortality (2012-14)

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below in case of contractual employees:

	As at March 31, 2026	As at March 31, 2025*
Discount rate (p.a.)	6.00%	-
Future salary increases	10.00%	-
Normal retirement age	60 years	-
Attrition/withdrawal (per annum)	10.32%	-
Mortality	100% of Indian Assured Lives Mortality (2012-14)	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

A quantitative sensitivity analysis for significant assumptions of the Company's plan are as shown below:

	Sensitivity Level	As at March 31, 2026 Impact on Defined benefit obligation		As at March 31, 2025* Impact on Defined benefit obligation	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase/decrease	(2.74)	2.87	(6.95)	10.50
Future salary increase	0.5% increase/decrease	2.16	(2.13)	6.95	(4.20)
Attrition rate sensitivity	0.5% increase/decrease	(0.18)	0.18	(0.12)	2.68

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

A quantitative sensitivity analysis for significant assumptions are as shown below in case of contractual employees:

	Sensitivity Level	As at March 31, 2026 Impact on Defined benefit obligation		As at March 31, 2025* Impact on Defined benefit obligation	
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase/decrease	(0.25)	0.25	-	-
Future salary increase	1% increase/decrease	0.24	(0.24)	-	-
Attrition rate sensitivity	1% increase/decrease	0.01	(0.01)	-	-

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

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 5 years (March 31, 2025: 18 years) and in case of contractual employees is 1 year. The expected maturity analysis of undiscounted gratuity is as follows:

	As at March 31, 2026	As at March 31, 2025
Within the next 12 months	28.97	9.01
Between 2 and 5 years	81.57	18.13
Beyond 5 years	77.49	387.64

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

36 Segment information

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

37 Commitments and Contingent Liabilities

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

a) Commitments

Refer note 6 for lease commitments.

As at March 31, 2026, the Company has commitment towards purchase of capital assets of ₹ 10.17 million (March 31, 2025: Nil).

b) Contingent liabilities

	As at March 31, 2026	As at March 31, 2025*
i) Claims against the Company not acknowledged as debts#	Refer note below	
ii) Bank guarantee**	338.80	278.80

 # RSM General Trading LLC ('RSM'), an overseas distributor of the Company had filed a legal suit against the Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Company was terminated illegally by the Company without complying with provisions of the Distributorship Agreement. RSM, in the legal suit, claimed damages to the tune of AED 45 million (equivalent to ₹ 1,001.25 million), wherein the Court on May 16, 2024, ordered the Company to pay an amount of AED 25.07 million (equivalent to ₹ 576.65 million) plus interest at the rate of 5% from the date of order till the date of payment ("UAE Court Order/Original Judgement"). The Company, subsequently, filed an appeal against the said order, which was subsequently dismissed by the Court of Appeal on October 15, 2024 ("Judgement"). The Company then filed an appeal against the Judgement before the Cassation Court, and the Cassation Court on March 26, 2025 allowed the Appeal referring the case back to Court of Appeal for a re-hearing by a panel composed of different judges. The Court of Appeal, composed of a different panel, issued a preliminary judgement on July 16, 2025 appointing 2 experts to review the case files and documents and directed the experts to submit an expert report. The Experts submitted a final expert report on November 24, 2025 and supplemental report dated January 22, 2026 noting breaches of the Company as well as RSM and concluded that RSM is entitled to a compensation of only AED 1.75 millions (equivalent to ₹ 42.75 million).

Thereafter, the Court of Appeal in its judgement dated February 11, 2026, affirmed the aforesaid compensation amount AED 1.75 millions payable by Company. Further, both parties challenged this judgement of the Court of Appeal before the Cassation Court (Highest Court of Dubai, UAE). The Cassation Court has fixed June 17, 2026 for a hearing and subsequent judgement.

The Company had further filed a petition under Section 9 of Arbitration and Conciliation Act, 1996, in High court of Delhi seeking Anti-suit and enforcement injunction prohibiting RSM from continuing proceedings in UAE, which was subsequently allowed by the Court. RSM appealed against this judgement before the division bench of Delhi High Court seeking stay on the anti-suit enforcement and the direction to deposit ₹ 576.65 million to Delhi High Court. Further, the Court, on September 01, 2025 dismissed the appeal, on the grounds that arbitration has already commenced in India as per the dispute resolution clause of the Agreement and that both Parties shall agitate their disputes before the arbitral tribunal.

Pursuant to conclusion of the trial and subsequent completion of the arbitral proceedings, the Tribunal has now passed an award in favour of the Company on 14th May 2026. The Award categorically declared that (i) it has the jurisdiction to adjudicate the disputes raised in the proceedings; (ii) RSM breached the Arbitration Agreement, Exclusive Jurisdiction and Governing Law clause under the Authorised Distribution Agreement ("ADA") by instituting proceedings before the Dubai Court; (iii) RSM is injuncted from initiating/continuing any proceedings before the Dubai Courts; (iv) Termination of the ADA by the Company was valid and not unlawful as held by Dubai Courts by virtue of the termination clause; and (v) RSM is liable to pay an amount of AED 7.25 million (₹ 188.84 million), towards various claims filed by the Company, including a post award interest should the amount remain unpaid after a period of 30 days.

Accordingly, as on date, the Company does not expect any material financial impact, in view of the above.

***Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt. Ltd. against laptops taken on lease amounting to ₹ 85.60 million (March 31, 2025: ₹ 85.60 million), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to ₹ 193.20 million (March 31, 2025: ₹ 193.20 million) and in favour of JellyFish Digital Private Limited amounting to ₹ 60.00 million (March 31, 2025: ₹ Nil).*

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

38 Share based payments

[A] Employee Share Option Plan (ESOP)

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

Employees Stock Option Plan 2018

On August 02, 2018, the Board of Directors approved the equity settled "Honasa Consumer Private Limited " for issue of stock options to various employees of the Company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the Company. There would be graded vesting for the next 4 years. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the last working day of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares
Ownership	Legal and beneficial Ownership
Vesting Pattern	- Time based grants: 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. - 50% tenure and 50% performance linked grants: Four-year vesting term at the rate of 20% for the first two years each and then 30% for the remaining two years each. - Performance based grants: Options will vest based on achievement of various performance based targets upto FY2030.
Exercise Price	Exercisable at an exercise price of ₹ 10, ₹ 20.43 and ₹ 262.41.
Economic Benefits/ Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company.

Movements during the year

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

Particulars	March 31, 2026		March 31, 2025*	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	14,93,976	33.85	21,67,209	106.17
Granted during the year**#	26,32,042	10.00	4,42,832	23.51
Forfeited during the year	(2,75,010)	86.12	(2,50,494)	119.26
Cancelled during the year##	(23,698)	262.41	-	-
Exercised during the year	(1,73,647)	21.55	(8,65,571)	54.22
Outstanding at the end of the year	36,53,663	42.23	14,93,976	109.56
Exercisable at the end of the year	6,31,213	147.15	4,63,431	65.24
Weighted Average Remaining Contractual Life	4.74 years		4.79 years	

*** During the year ended March 31, 2026 and March 31, 2025, the options granted by the Company includes options having 50% time based vesting and 50% performance based vesting. In respect of the 50% performance based grants, performance targets are for all the years are not communicated to employees and only the performance conditions for the respective years are communicated. Accordingly, the Company has only accounted for performance conditions of FY 2025-26 during the year ended March 31, 2026 and performance condition for FY 2024-25 during the previous year ended March 31, 2025, and has not accounted for the performance grants for FY 2026-27 and beyond since the performance conditions are substantive and not defined, in accordance with Ind AS 102.*

 # During the current year ended March 31, 2026, the Company has also granted options with only performance targets to it's employees. The Company expects the targets to be achieved in respective years. Accordingly the company has accounted for these employee stock options in accordance with IND AS 102.

The Nomination and Remuneration Committee of the Company vide resolution dated August 01, 2025 approved the cancellation of 23,698 stock options granted by the Company, in accordance with the terms and conditions of the addendum to the employment agreement entered by and between the Company and the respective beneficiary of the ESOP. Accordingly, accelerated cost equivalent to the fair value of the option amounting to ₹ 8.81 million has been recognised in the books as per Ind AS 102 and cash payouts to be made by the Company amounting to ₹ 10.01 million equivalent to the fair value of such ESOPs on the date of cancellation have been transferred from Share based payment reserve to other financial liabilities.

This is a one-off event and ESOP Plan Honasa Consumer Limited 2018 continues to be equity settled and all options are likely to be settled by way of equity upon completion of vesting.

The weighted average fair value of the options granted during the year is ₹ 215.46 (March 31, 2025: ₹ 443.62).

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares.
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company.
Exercise Price	Exercisable at an exercise price of ₹ 10 per option.
Economic Benefits/ Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company.

Movements during the year

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

Particulars	Year ended March 31, 2026		Year ended March 31, 2025*	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	20,977	10.00	56,484	10.00
Forfeited during the year	-	10.00	-	10.00
Exercised during the year	(4,474)	10.00	(35,507)	10.00
Outstanding at the end of the year	16,503	10.00	20,977	10.00
Exercisable at the end of the year	16,503	10.00	20,977	10.00

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2026		Year ended March 31, 2025*	
	ESOP scheme 2018	ESOP scheme 2021#	ESOP scheme 2018	ESOP scheme 2021#
Weighted average fair values at the measurement date in ₹	206.93	-	422.96	-
Dividend yield (%)	0.00%	-	0.00%	-
Expected volatility (%)	45.00%	-	45.00%	-
Risk-free interest rate (%)	5.93%-6.45%	-	6.80%-6.82%	-
Expected life of the options (in years)	4.74	-	4.79	-
Weighted average share price	249.84	-	451.23	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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

 # There are no new options granted under the ESOP scheme 2021 during the year ended March 31, 2026 and March 31, 2025 and hence valuation model inputs are not disclosed above.

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

[B] The CEO of Bhabani Blunt Private Limited is entitled to retention bonus from the Company in the following manner:

Particulars	Total Options	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	March 31, 2026		March 31, 2025*	
	No. of shares	WAEP	No. of shares	WAEP
Outstanding at the beginning of the year	16,125	20.39	54,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(8,063)	20.39	(38,375)	20.39
Outstanding at the end of the year	8,062	20.39	16,125	20.39
Weighted Average Remaining Contractual Life	1 year		1 year	

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

	March 31, 2026	March 31, 2025*
Expense arising from equity-settled share-based payment transactions	287.88	69.81
Total	**287.88**	**69.81**

** Pursuant to the approval of the scheme of amalgamation, the figures for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

39 Financial instruments by category and Fair value hierarchy

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

	Level	As at March 31, 2026	As at March 31, 2025*
Measured at fair value through statement of profit and loss (FVTPL)			
Investment in mutual funds (Note 7)	1	2,350.55	2,951.49
Total financial assets measured at FVTPL		**2,350.55**	**2,951.49**
Measured at amortised cost			
Investment in bonds and commercial papers (Note 7)		104.00	103.04
Trade receivables(Note 13)		1,960.78	1,320.87
Cash and cash equivalents (Note 14)		1,018.37	251.60
Bank balances other than cash and cash equivalents (Note 15)		878.70	2,932.08
Loans (Note 8)		25.00	25.00
Other financial assets (Note 9)		6,489.54	5,133.06
Total financial assets measured at amortised cost		**10,476.39**	**9,765.65**
Total financial assets		**12,826.94**	**12,717.14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

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

	As at March 31, 2026	As at March 31, 2025
Measured at fair value through statement of profit and loss (FVTPL)		
Derivative liability (Note 18)	3.79	-
Measured at amortised cost		
Lease liabilities (Note 6)	1,086.18	1,097.94
Trade payables (Note 21)	3,587.27	3,562.84
Other financial liabilities (Note 18)	327.93	202.13
Total financial liabilities measured at amortised cost	**5,005.17**	**4,862.91**
Total financial liabilities	**5,005.17**	**4,862.91**

The carrying values of the financial assets and liabilities measured at amortised cost and FVTPL is equal to their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

Notes:

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

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Company can assess at the measurement date

b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

c. Level 3 - Unobservable inputs for the assets or liabilities.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

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

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

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

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

	Derivative liability
As at April 1, 2024	-
Charge to statement of profit and loss	-
As at March 31, 2025	**-**
As at April 1, 2025	-
Arising on acquisition (Refer note 7)	1.15
Charge/(credit) to statement of profit and loss	2.64
As at March 31, 2026	**3.79**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

40 Financial risk management, Objectives and Policies

The Company's principal financial liabilities comprise of lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposits, investments in mutual funds, bonds and commercial papers, cash and cash equivalents and bank balances and trade and other receivables.

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

a) Market risk

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

i. Interest rate risk

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

ii. Foreign Currency risk

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

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

Currency	Particulars	As at March 31, 2026		As at March 31, 2025*	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
AED	**Liability**				
	Trade payables	(0.27)	(6.54)	(0.22)	(5.19)
	Assets				
	Trade receivables	0.09	2.17	0.02	0.48
		(0.18)	**(4.37)**	**(0.20)**	**(4.71)**
EUR	**Liability**				
	Trade payables	(0.01)	(0.95)	(0.04)	(3.89)
		(0.01)	**(0.95)**	**(0.04)**	**(3.89)**
QAR	**Assets**				
	Trade receivables	1.24	28.94	0.68	15.96
		1.24	**28.94**	**0.68**	**15.96**
AUD	**Assets**				
	Trade receivables	0.01	0.47	0.00	0.24
		0.01	**0.47**	**0.00**	**0.24**
GBP	**Assets**				
	Trade receivables	0.09	9.86	0.00	0.41
		0.09	**9.86**	**0.00**	**0.41**
USD	**Liability**				

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

Currency	Particulars	As at March 31, 2026		As at March 31, 2025*	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
	Trade Payables	(0.31)	(28.56)	(0.35)	(29.80)
	Assets				
	Trade receivables	0.92	81.42	0.34	29.29
		0.61	**52.86**	**(0.01)**	**(0.51)**
CAD	**Liability**				
	Trade Payables	(0.04)	(2.77)	-	-
	Assets				
	Trade receivables	-	-	0.06	3.60
		(0.04)	**(2.77)**	**0.06**	**3.60**
NPR	**Liability**				
	Trade Payables	-	-	(0.27)	(0.17)
	Assets				
	Trade receivables	-	-	3.56	2.23
		-	**-**	**3.29**	**2.06**
SGD	**Liability**				
	Trade Payables	-	-	(0.01)	(0.37)
	Assets				
	Trade receivables	0.00	0.36	-	-
		0.00	**0.36**	**(0.01)**	**(0.37)**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

Sensitivity:

		Impact on profit before tax	
		March 31, 2026	March 31, 2025
AED	Increases by 5%	(0.22)	(0.28)
	Decreases by 5%	0.22	0.28
EUR	Increases by 5%	(0.05)	(0.19)
	Decreases by 5%	0.05	0.19
QAR	Increases by 5%	1.45	0.80
	Decreases by 5%	(1.45)	(0.80)
AUD	Increases by 5%	0.02	0.01
	Decreases by 5%	(0.02)	(0.01)
GBP	Increases by 5%	0.49	0.02
	Decreases by 5%	(0.49)	(0.02)
USD	Increases by 5%	2.64	(0.03)
	Decreases by 5%	(2.64)	0.03
CAD	Increases by 5%	(0.14)	0.18
	Decreases by 5%	0.14	(0.18)
NPR	Increases by 5%	-	0.10
	Decreases by 5%	-	(0.10)
SGD	Increases by 5%	(0.02)	(0.02)
	Decreases by 5%	0.02	0.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2026

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

iii. Price risk

The Company invests surplus funds in liquid mutual funds. The Company is exposed to market price risk arising from uncertainties about future values of the investment. The Company manages the equity price risk through investing surplus funds in liquid mutual funds on a short term basis primarily in bonds or debt funds or otherwise.

b) Credit risk

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

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

Accordingly the Company considers the credit risk as low.

The maximum credit risks is represented by the total carrying amount of these financial assets in the Standalone Financial Statements.

	As at March 31, 2026	As at March 31, 2025*
Trade receivables (refer note (i))	1,960.78	1,320.87
Recoverable from payment partners (refer note (i))	345.37	318.94
Cash and cash equivalents (refer note (iii))	1,018.37	251.60
Bank balances other than cash and cash equivalents (refer note (iii))	878.70	2,932.08
Other financial assets (other than recoverable from payment partners) (refer note (iii))	6,144.17	4,814.12
Investment in mutual funds, bonds and commercial papers (refer note (ii))	2,454.55	2,951.49

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

i) Trade receivables and recoverable from payment partners

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025*
Opening balance	240.52	160.99
Allowance made during the year (net)	16.90	124.28
Reversal/write off during the year	(33.11)	(44.75)
Closing balance	**224.31**	**240.52**

Notes to the Standalone Financial Statements

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

ii) Investment in mutual funds, bonds and commercial papers

The Company has invested in multiple funds which are susceptible to market price risk arising from uncertainties about future values. The Company mitigates related risk by investing in different types of funds. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis.

iii) Cash and cash equivalents, other bank balances and other financial assets

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

c) Liquidity risk

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

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

Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026					
Lease liabilities	-	356.24	749.91	238.64	1,344.79
Trade payables	-	3,587.27	-	-	3,587.27
Other financial liabilities	-	331.72	-	-	331.72
	-	**4,275.23**	**749.91**	**238.64**	**5,263.78**
As at March 31, 2025*					
Lease liabilities	-	302.72	809.36	325.08	1,437.16
Trade payables	-	3,562.84	-	-	3,562.84
Other financial liabilities	-	193.93	8.20	-	202.13
	-	**4,059.49**	**817.56**	**325.08**	**5,202.13**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

41 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. As at March 31, 2026 and March 31, 2025, the Company's funding needs are met through own funds and the Company does not have debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

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42 Ratio analysis and its elements

	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025*	% change	Reason for variance exceeding 25% as compared to the preceding year
A	Current ratio	Current Assets	Current Liabilities	1.71	2.06	-17%	-
B	Debt- Equity Ratio#	Net debt = Total borrowings- Cash & Cash equivalents- Bank balances other than Cash & Cash equivalents- short term investments	Shareholder's Equity	-	-	-	-
C	Debt Service Coverage Ratio#	Earnings for debt service = Net profit after taxes + Depreciation+Interest	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	-
D	Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	14.85%	6.09%	143.99%	Change on account of increase in net profit during the current year.
E	Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	14.05	13.88	1.24%	-
F	Trade Payable Turnover Ratio	Purchases	Average Trade Payables	1.93	1.99	-3.14%	-
G	Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	6.21	3.99	55.74%	Change on account of decrease in current assets and increase in current liabilities
H	Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	8.28%	3.41%	142.65%	Change on account of increase in net profit during the current year.
I	Inventory Turnover Ratio	Sales	Average Inventory	15.24	14.63	4.14%	-
J	Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	19.49%	8.79%	121.77%	Change on account of increase in net profit during the current year.
G	Return on Investment	Interest Income	Investment	9.04%	7.48%	20.88%	-

 # Net debt after adjustments is negative and hence the ratio has not been furnished.

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

43 Other statutory information

(i) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended March 31, 2026 and March 31, 2025.

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

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

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

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

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

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

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

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

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

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

(viii) The company has not been declared any wilful defaulter by any bank or financial institution or other lender.

(ix) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with companies (Restriction in Number of Layers Rules, 2017)

44

During the year ended March 31, 2025, the Board of Directors of the Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Transferor Company-1') and Just4Kids Services Private Limited ('Transferor Company-2'), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company.

The Company has received the order granting approval of merger by NCLT Chandigarh on May 08, 2025 and by NCLT Delhi on June 03, 2025.

Since this was a common control transaction, the Company has accounted for the aforesaid business combination retrospectively in the standalone financial statements in accordance with Ind AS 103 - Business Combinations. Accordingly, figures for the year ended March 31, 2025 have been restated to give the effect of aforesaid business combination.

The book value of assets, liabilities and reserves of erstwhile Transferor Companies taken over as on April 01, 2024 are as follows:

Particulars	Amount	Adjustments	Total
Assets			
Non-current assets			
Property, plant and equipment	0.06	-	0.06
Goodwill	-	155.49	155.49
Other Intangible Assets	-	168.49	168.49
Financial assets			-
i. Other financial assets	2.84	-	2.84
Income Tax Assets	3.00	-	3.00
Total non-current assets	**5.90**	**323.98**	**329.88**
Current assets			
Inventories	56.10	-	56.10
Financial assets		-	-
i. Investments	144.64	-	144.64
i. Trade receivables	123.91	-	123.91
ii. Cash and cash equivalents	28.66	-	28.66
iii. Bank balances other than cash and cash equivalents	100.00	-	100.00
iv. Other financial assets	5.25	-	5.25
Other current assets	8.14	-	8.14
Income Tax Assets	2.27	-	2.27
Total current assets	**468.97**	**-**	**468.97**
Total assets [A]	**474.87**	**323.98**	**798.85**
Non-current liabilities			
Financial liabilities			
i. Borrowings	135.00	-	135.00
Provisions	0.80	-	0.80
Total non-current liabilities	**135.80**	**-**	**135.80**

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

Particulars	Amount	Adjustments	Total
Current liabilities			
Financial liabilities			
i. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	30.05	-	30.05
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	213.43	-	213.43
ii. Other financial liabilities	0.21	-	0.21
Provisions	0.61	-	0.61
Other current liabilities	11.01	-	11.01
Total current liabilities	**255.31**	**-**	**255.31**
Total liabilities [B]	**391.11**	**-**	**391.11**
Net assets taken over [C = A-B]	**83.76**	**323.98**	**407.74**
Elimination of investments pursuant to the scheme of amalgamation [D]			(727.17)
Additions to Other equity pursuant to the scheme of amalgamation [E = C+D]			(319.43)

45 As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the "Accounts Rules"), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In addition, Companies are required to preserve audit trail as per the statutory requirements of record retention.

The Company has used certain accounting software for maintaining its books of account which have a feature of maintaining proper daily backup on servers physically located in India, except in case of three applications for price records and distribution management, the backup of the books of account and other books and papers in electronic mode has not been maintained on servers physically located in India on daily basis.

Further, the Company has used certain accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid software, except (i) in respect of one accounting software application pertaining to price master records, audit trail was not enabled throughout the year for all relevant transactions recorded in the applications; (ii) in respect of three accounting software applications for maintaining its distribution management system records, price master records and point of sale records, audit trail feature is not enabled for certain changes made, if any, using privileged/administrative access rights. Further, audit trail feature has not been tampered with in respect of the accounting software applications where audit trail has been enabled/Service Organisation Controls report is available and the audit trail of prior year(s) has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

46 On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). The Labour Codes consolidate various existing labour laws and introduce changes, including a harmonised definition of wages, which impacts the computation of employee benefit obligations such as gratuity and compensated absences. Based on the information currently available and the guidance issued by the Institute of Chartered Accountants of India, the Company has evaluated the impact of these changes and recognised an incremental cost of ₹ 47.97 million as past service cost as an exceptional item for the year ended March 31, 2026. The Company continues to monitor developments relating to the Labour Codes and will assess the impact, if any, on the measurement of employee benefit liabilities in future periods.

Notes to the Standalone Financial Statements
for the year ended March 31, 2026

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

47 During the year ended March 31, 2024, the Company had completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹ 10 each at an issue price of ₹ 324 per share (including a share premium of ₹ 314 per share). A discount of ₹ 30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹ 3,650 million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹ 13,364.40 Million. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

The utilisation of the IPO proceeds from fresh issue of ₹ 3,504.92 million (net of IPO expenses of ₹ 145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2026 (₹ million)	Unutilised upto March 31, 2026 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	1,773.38	46.62
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	87.79	118.21
Investment in Subsidiary, BBlunt for setting up new salons	260.00	72.57	187.43
General corporate purposes and unidentified inorganic acquisition	1,218.92	1,218.92	-
Total	**3,504.92**	**3,152.66**	**352.26**

48 Subsequent events

No material subsequent events have occurred that require adjustment to or disclosure in the standalone financial statements.

49 Absolute amounts less than ₹ 5,000 are appearing in the Standalone Financial Statements as "0.00" due to presentation in millions.

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of **Honasa Consumer Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Honasa Consumer Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint venture comprising of the consolidated Balance sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2026, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue Recognition (as described in Note 23 of the Consolidated financial statements)	
As described in the accounting policy in note 2.3 to the consolidated financial statements, revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates/incentives. The Group has a large number of retailers and distributors with different commercial terms leading to material deductions from gross sales, which includes secondary discounts, right to return, rebates and other price adjustments in accordance with principles of Ind AS 115, "Revenue from Contracts with Customers" ('Ind AS 115'). The Group also makes provision for sales returns, based on historic trends and assessment of market conditions. We identified the recognition of revenue from operations as a key audit matter because: a) Accrual towards discounts, right to returns, rebates and other price adjustments is complex and requires significant judgements and estimates in relation to contractual agreements/commercial terms. Any change in these estimates can have a significant financial impact. b) The Group considers revenue as key benchmark for evaluating performances and hence, there is risk of revenue being overstated due to pressure to achieve targets, earning expectations or incentive schemes linked to performance for a reporting period.	Our audit procedures included the following: • We read and evaluated the Group's accounting policy for revenue recognition, including the policy for recording returns, and discounts in accordance with Ind AS 115 'Revenue from Contracts with Customers'. • We assessed and tested on sample basis the design and operating effectiveness of internal financial controls including application controls of the IT system over Company's revenue recognition process. • We discussed and obtained an understanding from the management on the key assumptions applied and inputs used in estimating provisions for discounts, sales incentives and sales returns and compared the same with the past trends and the provision made by the management. • We tested on a sample basis invoices raised/credit note issued prior to year-end and post year end to assess whether revenue is recognised appropriately based on the performance conditions met, in line with Ind AS 115. • We read and assessed the relevant disclosures made in the Ind AS financial statements including disclosures on significant accounting judgements, estimates and assumptions. • We performed analytical procedures to identify any unusual trends and items.
Assessment of carrying value of inventory (as described in Note 11 of the consolidated financial statements)	
The Group has inventories of ₹ 1,650.51 million, as at March 31, 2026. These inventories are held mostly at warehouses (including third party warehouses) and stores of the Holding Company. The Group recognises inventory obsolescence based on the age of the product (i.e. whether it is close to expiry and expired), slow moving and damaged goods including future expectations of disposal of these goods as well as on account of the net realisable value('NRV'), if it is lesser than cost. Significant judgement is required in assessing the appropriate level of slow moving and/or obsolete inventory and determination of NRV. Considering the involvement of estimations in the assessment, we considered carrying value of inventory to be a key audit matter.	Our audit procedures included the following: • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls in relation to inventory purchases and provision for slow moving, close to expiry, expired and damaged inventories. • Performed testing on the controls over the inventory physical verification process. In testing these controls, we inspected the results of the physical verification carried out by the Group, observed physical inventory counts at few locations during the year ended March 31, 2026. • Verified the reconciliation of inventory confirmations received from third parties vis-a-vis the inventory records as at March 31, 2026. • Verified the reconciliation of inventory received vis-a-vis the purchase invoices recorded from the vendors for the year ended March 31, 2026. • Performed procedures to test controls around the Group's process to identify slow moving or obsolete inventories, assess the assessment of the cost and net realisable value, expired and damaged inventories and evaluated the adequacy of obsolescence and provision as at March 31, 2026.
Assessing the recoverability of goodwill, other intangible assets and investment in joint venture (as described in Note 4(a),4(b) and 7 of the consolidated financial statements)	
As at March 31, 2026 the consolidated financial statements includes goodwill of ₹ 1,724.65 million, other intangible assets of ₹ 1,805.68 million mainly pertaining to acquisition of subsidiaries and investment in joint venture of ₹ 98.57 million. In accordance with Ind AS 36 'Impairment of Assets', the management has allocated goodwill and intangible assets to the underlying cash generating unit (CGU) and tested these for annual impairment by comparing the carrying value of CGU with their recoverable amount to determine whether an impairment is required to be recognised. With respect to investment in joint venture, management estimates the recoverable amounts of the investment, being higher of fair value less costs of disposal and value in use.	Our audit procedures included the following: • We assessed the Group's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets". • We obtained an understanding of the process and tested the operating effectiveness of internal controls over the impairment assessment process. • We involved our specialists to evaluate management's identification of CGUs and the Group's valuation methodology applied in determining the recoverable amount of each CGU and investment in joint venture. We evaluated the assumptions around the key drivers of the cash flow forecasts including revenue growth rates, operating margins, discount rates, and terminal growth rates used. • In making this assessment, we also assessed the objectivity and independence of Group's specialists involved in the process.

Key audit matters	How our audit addressed the key audit matter
Management's process for assessing and determining recoverable amount is based on judgements and assumptions relating to forecasts of future cashflows, long-term growth rates and discount rates applied to such cash flows. Since the impairment assessment involves significant estimates, assumptions and judgement, it is considered as a key audit matter in our audit of the consolidated financial statements.	• We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year/actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We tested the arithmetical accuracy of the models. • We evaluated the adequacy of relevant disclosures made in the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements (before elimination) include total assets of ₹ 1,377.69 million as at March 31, 2026, and total revenues of ₹ 902.41 million and net cash inflows of ₹ 95.67 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 1.41 million for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditor and whose report has been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information (before elimination) reflect total assets of Nil as at March 31, 2026, and total revenues of Nil and net cash inflows of Nil for the year ended on that date. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

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

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except as stated in Note 45 to the consolidated financial statements that (i) for three software applications, the back-up of books of account and other books and papers maintained in electronic mode was not kept in servers physically located in India on a daily basis by the Holding Company; and (ii) for matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

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

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint venture, none of the directors of the Group's companies and its joint venture, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies and joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid/provided by the Holding Company, its subsidiaries and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint venture in its consolidated financial statements – Refer Note 36(b) to the consolidated financial statements;

      ii. The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2026;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended March 31, 2026.

      iv. a) The respective managements of the Holding Company, its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The respective managements of the Holding Company, its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries or joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. As stated in note 32 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the Holding Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act and as explained in Note 45 to the consolidated financial statements, the Holding Company, subsidiaries and joint venture have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting softwares except that:

a) the Holding Company has used one accounting software application for maintaining its price master records for which audit trail (edit log) facility was not enabled throughout the year for all relevant transactions recorded in the software. Accordingly, we are unable to comment upon whether during the year there was any instance of audit trail feature being tampered with in respect of the accounting software application. Additionally, we are unable to comment whether the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention;

(b) the Holding Company has used three accounting software applications, for maintaining its distribution management system records, price master records and point of sale records which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in these software except that, audit trail feature is not enabled for certain changes made, if any, using privileged/ administrative access rights. Further, during the course of our audit in respect of accounting software where the audit trail has been enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, for these software applications, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years;

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274JPLCGB8327

Place: Gurugram
Date: May 21, 2026

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER LIMITED

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified
1	Honasa Consumer Limited	L74999DL2016PLC306016	Holding Company	3(iii)(e)

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274JPLCGB8327

Place: Gurugram
Date: May 21, 2026

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HONASA CONSUMER LIMITED

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

In conjunction with our audit of the consolidated financial statements of Honasa Consumer Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, to the extent applicable, incorporated in in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Opinion

In our opinion, the Group and its joint venture has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

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

per **Nikhil Aggarwal**
Partner
Membership Number: 504274
UDIN: 26504274JPLCGB8327

Place: Gurugram
Date: May 21, 2026

Consolidated Balance Sheet

as at March 31, 2026

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

	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	221.64	258.33
Capital work-in-progress	3(b)	-	0.82
Goodwill	4(a)	1,724.65	527.75
Other intangible assets	4(b)	1,805.68	1,025.31
Right-of-use assets	5	1,135.53	1,210.39
Financial assets			
i. Investments	7	202.56	-
ii. Other financial assets	8	6,086.41	4,654.35
Income tax assets (net)	9	44.38	12.10
Deferred tax assets (net)	22	112.88	95.37
Other non-current assets	10	1.77	1.52
Total non-current assets		**11,335.50**	**7,785.94**
Current assets			
Inventories	11	1,650.51	1,582.79
Financial assets			
i. Investments	7	2,521.80	3,047.75
ii. Trade receivables	12	1,982.76	1,323.28
iii. Cash and cash equivalents	13	1,192.24	329.67
iv. Bank balances other than cash and cash equivalents	14	944.95	2,983.25
v. Other financial assets	8	534.35	509.24
Other current assets	10	762.83	339.47
Total current assets		**9,589.44**	**10,115.45**
Total Assets		**20,924.94**	**17,901.39**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,253.70	3,251.84
Other equity	16	10,864.82	8,546.46
Total equity		**14,118.52**	**11,798.30**
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	5	1,004.55	1,097.94
ii. Other financial liabilities	17	-	8.20
Provisions	18	118.22	99.47
Deferred tax liabilities (net)	22	0.21	-
Total non-current liabilities		**1,122.98**	**1,205.61**
Current liabilities			
Financial liabilities			
i. Lease liabilities	5	348.91	266.06
ii. Trade payables	20		
(a) Total outstanding due of micro enterprises and small enterprises		456.38	312.38
(b) Total outstanding due of creditors other than micro enterprises and small enterprises		3,320.93	3,255.52
iii. Other financial liabilities	17	472.87	217.27
Provisions	18	104.08	87.72
Other current liabilities	19	540.26	377.40
Income tax liability (net)	21	440.01	381.13
Total current liabilities		**5,683.44**	**4,897.48**
Total liabilities		**6,806.42**	**6,103.09**
Total equity and liabilities		**20,924.94**	**17,901.39**

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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

As per our report of even date attached

For and on behalf of the Board of Directors of
Honasa Consumer Limited

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Place: Gurugram
Date: May 21, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

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

	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	23	23,919.42	20,669.49
Other income	24	835.84	787.34
Total income (I)		**24,755.26**	**21,456.83**
Expenses			
Purchases of traded goods	25	7,146.52	6,563.87
(Increase) in inventories of traded goods	26	(2.28)	(434.62)
Employee benefits expenses	27	2,626.35	2,004.18
Depreciation and amortisation expenses	28	444.02	450.06
Finance costs	29	131.38	126.49
Other expenses	30	11,787.27	11,850.72
Total expenses (II)		**22,133.26**	**20,560.70**
Profit before share of profit/(loss) of a joint venture, exceptional items and tax (III = I-II)		**2,622.00**	**896.13**
Share of (loss) of a joint venture, net of tax (IV)	7	(1.41)	-
Profit before exceptional items and taxes (V = III+IV)		**2,620.59**	**896.13**
Exceptional Items (VI)	46	(47.97)	-
Profit before Tax (VII = V+VI)		**2,572.62**	**896.13**
Tax expenses			
Current tax	22	600.43	277.48
Deferred tax (credit)	22	(29.71)	(108.22)
Total tax expenses (VIII)		**570.72**	**169.26**
Profit after tax (IX = VII-VIII)		**2,001.90**	**726.87**
Other comprehensive income/(loss) (OCI)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans		49.29	(0.13)
Income tax effect on above	22	(12.41)	0.04
Items that will be reclassified subsequently to profit or loss:			
Net exchange loss on translation of foreign operations		1.49	(0.09)
Total other comprehensive income/(loss) for the year, net of tax (X)		**38.37**	**(0.18)**
Total comprehensive income for the year, net of tax (XI = IX+X)		**2,040.27**	**726.69**
Profit for the year after tax attributable to:			
Owners of the company		1,999.45	726.87
Non-controlling interests		2.45	-
Other comprehensive income/(loss) for the year, net of tax attributable to:			
Owners of the company		38.37	(0.18)
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the company		2,037.82	726.69
Non-controlling interests		2.45	-
Earnings per equity share	31		
Basic, computed on the basis of Profit attributable to owners of the company			
Equity shares, Nominal value of ₹ 10 each		6.15	2.24
Diluted, computed on the basis of Profit attributable to owners of the company			
Equity shares, Nominal value of ₹ 10 each		6.12	2.23

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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

As per our report of even date attached

For and on behalf of the Board of Directors of
Honasa Consumer Limited

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Place: Gurugram
Date: May 21, 2026

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Operating activities		
Profit before tax	**2,572.62**	**896.13**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment ('PPE')	100.30	97.68
Amortisation of intangible assets	13.31	25.01
Depreciation of right-of-use-assets	330.41	327.37
Allowance for doubtful debts	18.20	124.28
Bad debts written off	-	1.27
Provision for slow moving inventory	(34.11)	92.30
Loss on sale of property, plant and equipment	0.11	16.42
Share of loss of joint venture	1.41	-
Share based payments expenses (equity settled)	288.22	71.00
Unrealised foreign exchange (gain), net	(4.54)	-
Fair value gain on investments measured at fair value through profit and loss ('FVTPL')	(20.94)	(82.64)
Gain on sale of investments measured at FVTPL	(141.68)	(109.27)
Gain on lease modification	(8.90)	-
Interest income	(632.31)	(563.41)
Finance costs	131.38	126.49
Operating cash flow before working capital changes	**2,613.48**	**1,022.63**
Movement in working capital:		
(Increase)/Decrease in trade receivables	(655.54)	144.92
(Increase) in other financial assets	(55.09)	(89.91)
Increase in trade payables	117.91	626.82
Increase in financial liabilities	138.21	4.11
Increase in provisions	83.58	52.05
Decrease/(Increase) in inventories	27.54	(446.74)
Increase/(Decrease) in other liabilities	157.48	(296.16)
(Increase) in other assets	(410.74)	(45.34)
Cash flow generated from operations	**2,016.83**	**972.38**
Income tax (paid)/refunded, net	(603.37)	49.42
Net cash flow generated from operating activities [A]	**1,413.46**	**1,021.80**
Investing activities		
Purchase of property, plant and equipment (including capital work in progress, capital advances and payable for capital goods)	(74.40)	(171.13)
Proceeds from sale of property, plant and equipment and intangible assets	4.21	5.12
Purchase of intangible assets including payable for capital goods	-	(32.81)
Acquisition of Subsidiary, net of cash acquired	(1,922.24)	-
Payment of initial direct costs on leases	-	(0.47)
Investment in Joint Venture	(99.98)	-
Investment in Deposits	(3,315.25)	(7,637.46)
Redemption of Deposits	4,251.22	5,930.18
Purchase of current investment	(1,816.36)	(1,269.98)
Redemption of current investment	2,400.93	1,331.84
Interest received	401.25	393.49
Net cash flow (used) in investing activities [B]	**(170.62)**	**(1,451.22)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Financing activities		
Proceeds from issuance of equity shares	3.95	47.90
Principal repayment of lease liabilities	(252.84)	(232.54)
Interest on lease liabilities	(121.10)	(118.57)
Finance cost paid	(10.28)	(7.91)
Net cash flow (used) in financing activities [C]	**(380.27)**	**(311.12)**
Net increase/(decrease) in cash and cash equivalents [D = A+B+C]	**862.57**	**(740.54)**
Cash and cash equivalents at the beginning of the year [E]	329.67	1,070.21
Cash and cash equivalents at the end of the year [F = D+E]	**1,192.24**	**329.67**
Components of cash and cash equivalents (refer note 13)		
Balance with banks		
- In current accounts	696.04	323.26
- Deposits with original maturity of less than or equal to three months	495.13	5.00
Cash in hand	1.07	1.41
Total cash and cash equivalents	**1,192.24**	**329.67**

Reconciliation between opening and closing Consolidated Balance Sheet for liabilities arising from financing activities:

	Opening balance	Additions due to acquisition	Cash flows	Non- cash movement	Closing balance
March 31, 2026					
Lease liabilities (including interest)	1,364.00	-	(373.94)	363.40	1,353.46
Total liabilities from financing activities	**1,364.00**	**-**	**(373.94)**	**363.40**	**1,353.46**
March 31, 2025					
Lease liabilities (including interest)	1,309.69	-	(351.11)	405.42	1,364.00
Total liabilities from financing activities	**1,309.69**	**-**	**(351.11)**	**405.42**	**1,364.00**

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

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

a) Equity share capital

	No. of shares	Amount
(i) Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 01, 2024	**32,42,44,157**	**3,242.44**
Issued during the year - Refer note (a) below	9,39,453	9.40
As at March 31, 2025	**32,51,83,610**	**3,251.84**
As at April 01, 2025	32,51,83,610	3,251.84
Issued during the year- Refer note (b) below	1,86,184	1.86
As at March 31, 2026	**32,53,69,794**	**3,253.70**

Note:

a. During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹ 10 each on exercise of ESOP. Also refer note 15.

b. During the year ended March 31, 2026, the Company issued 186,184 equity shares of ₹ 10 each on exercise of ESOP. Also refer note 15.

b) Other equity

For the period ended March 31, 2026

	Reserves and Surplus					Other Comprehensive income	Attributable to the owners of the parent	Non-controlling interest ('NCI')	Total
	Retained earnings (Note 16)	Securities premium (Note 16)	Share Based Payment Reserve (Note 16)	Capital redemption reserve (Note 16)	Statutory reserve (Note 16)	Foreign currency translation reserve (Note 16)			
As at April 01, 2025	**858.61**	**7,495.42**	**193.41**	**0.03**	**0.11**	**(1.12)**	**8,546.46**	**-**	**8,546.46**
Profit for the year	1,999.45	-	-	-	-	-	1,999.45	2.45	2,001.90
Other comprehensive income									
Re-measurement gains on defined benefit plans (net)	36.88	-	-	-	-	-	36.88	-	36.88
Net exchange gain on translation of foreign operations	-	-	-	-	-	1.49	1.49	-	1.49
Total comprehensive income	**2,036.33**	**-**	**-**	**-**	**-**	**1.49**	**2,037.82**	**2.45**	**2,040.27**
Add: Premium received on issue of equity shares	-	2.09	-	-	-	-	2.09	-	2.09
Add: Share based payment expense for the year (Refer note 37)	-	-	288.22	-	-	-	288.22	-	288.22
Less: Transferred to securities premium on exercise of stock options	-	45.04	(45.04)	-	-	-	-	-	-
Less: Transferred to other financial liabilities	-	-	(10.01)	-	-	-	(10.01)	-	(10.01)
Less: Change in fair value of non-controlling interest liability (NCI) (Refer note 17)	(2.26)	-	-	-	-	-	(2.26)		(2.26)
Less: Acquisition of NCI (Refer note 41)	2.45	-	-	-	-	-	2.45	(2.45)	-
Add: Other adjustments	0.05	-	-	-	-	-	0.05	-	0.05
As at March 31, 2026	**2,895.18**	**7,542.55**	**426.58**	**0.03**	**0.11**	**0.37**	**10,864.82**	**-**	**10,864.82**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

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

For the year ended March 31, 2025

	Reserves and Surplus					Other Comprehensive income	Attributable to the owners of the parent	Non-controlling interest ('NCI')	Total
	Retained earnings (Note 16)	Securities premium (Note 16)	Share Based Payment Reserve (Note 16)	Capital redemption reserve (Note 16)	Statutory reserve (Note 16)	Foreign currency translation reserve (Note 16)			
As at April 01, 2024	**131.83**	**7,331.23**	**248.10**	**0.03**	**0.11**	**(1.03)**	**7,710.27**	**-**	**7,710.27**
Profit for the year	726.87	-	-	-	-	-	726.87	-	726.87
Other comprehensive (loss)					-				
Re-measurement (loss) on defined benefit plans (net)	(0.09)	-	-	-	-	-	(0.09)	-	(0.09)
Net exchange loss on translation of foreign operations	-	-	-	-	-	(0.09)	(0.09)	-	(0.09)
Total comprehensive income/ (loss)	**726.78**	**-**	**-**	**-**	**-**	**(0.09)**	**726.69**	**-**	**726.69**
Add: Premium received on issue of equity shares	-	38.50	-	-	-	-	38.50	-	38.50
Add: Share based payment expense for the year (Refer note 37)	-	-	71.00	-	-	-	71.00	-	71.00
Less: Transferred to securities premium on exercise of stock options	-	125.69	(125.69)	-	-	-	-	-	-
As at March 31, 2025	**858.61**	**7,495.42**	**193.41**	**0.03**	**0.11**	**(1.12)**	**8,546.46**	**-**	**8,546.46**

Corporate information and summary of material accounting policies (refer note 1 & 2.3)

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

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director & Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

1 (a) Corporate Information

The Consolidated Financial Statements comprise financial statements of Honasa Consumer Limited ("the Company" or "Holding Company" or "Parent Company") along with its subsidiaries (collectively, the Group), and its joint venture (CIN: L74999DL2016PL₹306016) for the year ended March 31, 2026. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India, viz., National Stock Exchange of India Limited and the BSE Limited. The registered office of the Company is located at Unit No 404, 4th floor, City Centre, Plot No 05, Sector-12, Dwarka, New Delhi - 110075.

The Group and its joint venture is principally engaged in trading of variety of beauty and personal care products across baby care, skin care, hair and other related personal care categories, which are manufactured through third party contract manufacturers under the brand name of 'Mamaearth', 'The Derma Co', 'Aqualogica', 'Dr Sheths', 'BBlunt', 'Staze', 'Lumineve', 'Reginald Men' and 'Molecular'. The Company sells its products primarily in India.

The Consolidated Financial Statements for the year ended March 31, 2026 were approved for issue in the meeting of the Board of Directors held on May 21, 2026.

"During the year ended March 31, 2025, the Board of Directors of the Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Transferor Company-1') and Just4Kids Services Private Limited ('Transferor Company-2'), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company.

The Company has received the order granting approval of merger by NCLT Chandigarh on May 08, 2025 and by NCLT Delhi on June 03, 2025.

1 (b) Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries/joint ventures listed in the table below:

Intangible assets	CIN No.	Country of incorporation	Ownership interest as on March 31, 2026	Ownership interest as on March 31, 2025
BTM Ventures Private Limited (w.e.f January 06, 2026)	U24100TG2022PTC165997	India	95.00%	-
Couch Commerce Private Limited (w.e.f. December 16, 2025)	U74900MH2015PTC265092	India	25.00%	-
PT Honasa Consumer Indonesia*	Not Applicable	Indonesia	100.00%	100.00%
Honasa Consumer General Trading L.L.C.	Not Applicable	UAE	100.00%	100.00%
Bhabani Blunt Hairdressing Private Limited (hair styling salon and academy)	U93020MH2004PTC148187	India	100.00%	100.00%
B:Blunt Spratt Hairdressing Private Limited (hair styling salon and academy)(100% subsidiary of Bhabani Blunt Hairdressing Private Limited)	U93000KA2011PTC058323	India	100.00%	100.00%

** The subsidiary is not operational, has no transactions and infusion of capital has not yet been completed.*

2 Basis of Preparation and Material accounting policies

2.1 Statement of compliance and basis of preparation

Consolidated financial statements of the Group as at and for the year ended March 31, 2026 are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015, (as amended from time to time) and other accounting principles generally accepted in India, along with the presentation requirements of Division II of Schedule III to the Act (Ind-AS compliant Schedule III as applicable to the consolidated financial statements).

These Consolidated Financial Statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

- Equity settled ESOP at grant date fair value
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The Consolidated Financial Statements are presented in Indian Rupee (₹). All the values are rounded off to the nearest millions, upto two decimal places except when otherwise indicated.

2.2 Basis of Consolidation

The Consolidated financial statements comprises of the financial information of the Holding Company and its subsidiaries and its joint venture. Control is achieved when the Group and its joint venture 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 Company controls an investee if and only if the company 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 company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Company's voting rights and potential voting rights
- The size of the company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to the consolidated financial statements to ensure conformity with the group's accounting policies.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, assets, liabilities, equity, income, expenses and cash flows of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group and its joint venture (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of Profit and Loss resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company 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 and joint venture to bring their accounting policies into line with the Holding company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group and joint venture 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 Company loses control over a subsidiary, it:

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- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the parent had directly disposed of the related assets or liabilities
- Recognise that distribution of shares of subsidiary to Holding Company in Holding Company's capacity as owners.

2.3 Material Accounting Policies

2.3.1 Current versus non-current classification

The Group segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

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 period up to twelve months as its operating cycle.

2.3.2 Foreign currency translation

i) Functional and presentation currency: Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the parent entity operates (the functional currency). The consolidated financial statements are presented in Indian Rupee (₹) which is also the parent company's functional currency. For each entity the Holding company determines the functional currency and items included in the consolidated financial statements are measured using that functional currency.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity, such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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

2.3.3 Fair value measurement

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

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

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

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

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

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

2.3.4 Business combination and Goodwill

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

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

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the consolidated statement of profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company 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 cash-generating units that are expected to benefit from the combination, irrespective of whether

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other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Liability for Non-Controlling Interests

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest 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.

2.3.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the purchase cost 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work in progress is stated at cost, net of accumulated statement of impairment loss, if any.

The Group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are recognised in profit or loss as incurred.

The exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment is calculated on a written down value over the useful lives of assets estimated by the management. These useful lives differ from those prescribed under Schedule II to the Companies Act 2013 (as amended) and have been assessed based on technical advice by technical expert and considering aspects such as nature of the asset, the estimated usage, physical wear and tear, operating conditions, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support etc., as below:

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

Leasehold improvements are amortised on a straight line basis over the remaining period of the lease or estimated useful life of the assets, whichever is lower.

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

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

2.3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition,

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intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Franchise agreements	5 years	Straight Line	Acquired
Non-compete agreement	3 years	Straight Line	Acquired
Trademark	5-7 years	Straight Line	Acquired
Brand	Indefinite*	No Amortisation	Acquired
Design and Formulation	0.5 - 3 year	Straight Line	Acquired
Software	1-10 years	Straight Line	Acquired
Goodwill	Indefinite*	No Amortisation	Acquired

** Tested for impairment annually or when circumstances indicate that the carrying value may be impaired.*

2.3.7 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the 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

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the Group operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and brand are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill and brand by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill and brand relate to. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.3.8 Inventories

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

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

Obsolete, slow moving and defective/damage/near expiry inventories are identified from time to time and, where necessary, a provision is made for such inventories.

2.3.9 Revenue recognition

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

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

Revenue from sale of products

Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue from the sale of products is measured at a value which reflects the consideration to which the entity expects to be entitled in exchange of such goods, net of returns and allowances, discounts and incentives. Revenue is measured at amount of "Transaction Price" as per Ind AS 115.

Revenue from sale of services

Revenue from Hair Styling services is recognised on rendering services. Revenue from franchises is recognised as per the terms of the agreements. The amount recognised is at the predetermined price, the collection of which is reasonably certain. Revenue from educating students in hair styling is recognised on a time proportion basis. Revenue from listing services is received in the form of fees which is recognised prorate over the subscription/ advertising agreement, usually ranging between one to twelve months.

Non Cash consideration

The Group measures the non-cash consideration at fair value to determine the transaction price for contracts in which a customer promises consideration in a form other than cash. In case the fair value cannot be reasonably estimated, the company measures the consideration indirectly by reference to the stand alone selling price of the goods promised to the customer in exchange for the consideration.

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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 recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

Volume rebates

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Customer wallet points

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

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

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

Interest income

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Group's refund liabilities arise from customers' right of return and volume rebates.

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The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.3.10 Leases

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

The Group as a lessee

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

Right-of-use assets

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

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

Particulars	Useful lives (years)
Buildings	2 - 13 years
Computer & Peripherals	3 years

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

2.3.11 Retirement/Post-employment and other employee benefits

Short-term obligations

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

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

Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans - gratuity, and

(b) defined contribution plans such as provident fund.

Defined benefit plans - Gratuity obligations

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs. Further, net interest is calculated by applying the discount rate to the net defined benefit liability or asset and recognised in the profit or loss.

Defined contribution plan

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

2.3.12 Employee share based payments

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

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

When the terms of 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 statement of profit or loss.

When the terms of the equity-settled share-based payment transaction are modified, pre-modification valuation and post modification valuation is compared and if the value of post modification is lower than pre-modification, then the cost would be recognised based on original plan, however if the value of post modification is higher than pre-modification, then the original cost would continue to be accounted and for the additional fair value to the extent of vested options recognised in the statement of profit and loss and to the extent of unvested options, additional fair value is accounted over the remaining vesting period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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2.3.13 Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments and equity instruments at Fair Value Through Profit and Loss (FVTPL)

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

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

(ii) The asset's contractual cash flows represent SPPI.

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

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

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

De-recognition

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

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

Impairment of financial assets

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

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

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

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

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Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

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

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

De-recognition

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

Offsetting of financial instruments

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

2.3.14 Taxes

Income tax

Current income tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in

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correlation to the underlying transaction). Management periodically evaluates whether it is probable that the relevant taxation authority would accept an uncertain tax treatment that the Group has used or plan to use in its income tax filings, including with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

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

(i) when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

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

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the consolidated statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

(i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable,

(ii) When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current/non-current assets/liabilities in the balance sheet.

2.3.15 Segment reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments of the Group are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group's operating businesses are 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 consolidated financial statements of the Group as a whole.

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The Board of directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

2.3.16 Earnings per share

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

2.3.17 Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.3.18 Contingent liabilities

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

2.3.19 Cash and cash equivalents

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

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.2.20 Dividend

The Holding Company recognises a liability to pay dividend to equity holders of the Holding Company when the distribution is authorised, and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.3.21 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (Note 40)
- Financial risk management objectives and policies (Note 39)
- Sensitivity analysis disclosures (Notes 34 and 39).

The Group bases its assumptions and estimates on parameters available when the consolidated financial statements are prepared. Existing circumstances and assumptions, if any, about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The judgements, estimates and assumptions

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management has made which have the most significant effect on the amounts recognised in the consolidated financial statements are as below.

Revenue from contracts with customers

Sale of goods includes expected discounts and incentives that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group uses the most likely amount methodology to determine the variable consideration.

The Group determines and updates its assessment of expected discounts and incentives periodically and the accruals are adjusted accordingly. Estimates of expected discount and incentives are sensitive to changes in circumstances and the Group's past experience regarding these amounts may not be representative of actual amounts in the future.

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

Leases

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. In calculating the present value of lease payments, the Group uses internal rate of return for the assets which were earlier classified under finance lease and incremental borrowing rate (IBR) for Right of use assets at the lease commencement date.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

Impairment of financial assets

Provision for expected credit loss on trade receivables

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

Impairment of non financial assets

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

Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected return, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-

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term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

Business Combinations

In accounting for business combinations, judgement is required in identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets acquired (including useful life estimates), liabilities assumed, and contingent consideration assumed involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgements, estimates, and assumptions can materially affect the results of operations.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Fair Value measurement of financial instruments

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

2.3.22 Changes in accounting policies and disclosures

New and amended standards

The Group applied for the first-time the following standards and amendments, which are effective for annual periods beginning on or after April 01, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective:

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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(i) What is meant by a right to defer settlement

(ii) That a right to defer must exist at the end of the reporting period

(iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right

(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current. The amendments are effective for annual reporting periods beginning on or after April 01, 2025 retrospectively in accordance with Ind AS 8.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

(i) A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

(ii) Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.

The aforesaid amendments from (i) to (iv) above did not have a material impact on the Group's consolidated financial statements.

Standards notified but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In accordance with Ind AS 1 currently applicable, breach of an immaterial covenant is ignored deciding in current vs. non-current classification of liabilities. Also, in case of breach of a material covenant of a non-current loan on or before the reporting date, the entity can obtain waiver from the lender after the reporting date and continue to classify the loan as non-current liability. In accordance with changes to Ind AS 1 already notified by the MCA as above, the aforesaid relaxations to classify loan as non-current liability will not be available from FY 2026-27 onwards and need to be applied retrospectively. Consequently, a breach of either material or immaterial covenant will trigger current classification of liability and to continue classifying loan as non-current liability, entities will need to obtain waiver from the breach on or before the reporting date.

The Group does not expect the impact of the aforesaid amendments to be material to the consolidated financial statements.

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

	Computer and peripherals	Furniture and fixtures	Office equipments	Plant and machinery	Leasehold Improvements	Total
Gross Block						
Cost						
As at April 01, 2024	**2.22**	**129.89**	**35.26**	**14.67**	**105.85**	**287.89**
Additions	6.38	74.11	17.49	18.04	61.36	177.38
Disposals	(5.72)	(27.52)	(1.94)	(1.41)	-	(36.59)
As at March 31, 2025	**2.88**	**176.48**	**50.81**	**31.30**	**167.21**	**428.68**
As at April 01, 2025	2.88	176.48	50.81	31.30	167.21	428.68
Additions	7.18	23.53	11.71	2.63	23.97	69.02
Acquisition (Refer note 41)	0.32	4.50	0.51	0.13	-	5.46
Disposals	(4.51)	(5.51)	(0.30)	-	(3.80)	(14.12)
As at March 31, 2026	5.87	199.00	62.73	34.06	187.38	489.04
Accumulated depreciation						
As at April 01, 2024	**0.69**	**32.83**	**12.69**	**9.52**	**32.56**	**88.29**
Charge for the year	1.25	39.26	12.54	4.38	40.25	97.68
Disposals	(1.32)	(11.42)	(1.72)	(1.16)	-	(15.62)
As at March 31, 2025	**0.62**	**60.67**	**23.51**	**12.74**	**72.81**	**170.35**
As at April 01, 2025	0.62	60.67	23.51	12.74	72.81	170.35
Charge for the year	1.27	37.01	12.61	8.21	41.20	100.30
Acquisition (Refer note 41)	0.14	1.24	0.20	0.05	-	1.63
Disposals	(0.16)	(3.10)	(0.22)	-	(1.40)	(4.88)
As at March 31, 2026	1.87	95.82	36.10	21.00	112.61	267.40
Net book value						
As at March 31, 2025	**2.26**	**115.81**	**27.30**	**18.56**	94.40	**258.33**
As at March 31, 2026	4.00	103.18	26.63	13.06	74.77	221.64

3 (b). Capital work in progress*

	Amount in Capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2025					
Projects in progress	0.82	-	-	-	0.82
Projects temporarily suspended	-	-	-	-	-
Total	**0.82**	**-**	**-**	**-**	**0.82**

**There are no overdue or cost overrun projects compared to its original plan and no capital work in progress which are temporarily suspended, on the above mentioned reporting dates.*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

As at April 01, 2025	0.82
Add: Additions during the year	-
Less: Capitalised during the year	(0.82)
As at March 31, 2026	-
As at April 01, 2024	4.63
Add: Additions during the year	64.19
Less: Capitalised during the year	(68.00)
As at March 31, 2025	0.82

4 (a). Goodwill*

Goodwill acquired pertains to the following:

	As at March 31, 2026	As at March 31, 2025
Acquisition of business:		
Bhabani Blunt Hairdressing Private Limited	8.89	8.89
Acquisition of subsidiary		
Bhabani Blunt Hairdressing Private Limited	363.38	363.38
BTM Ventures Private Limited (Refer note 41)	1,196.90	-
Fusion Cosmeceutics Private Limited (Refer note 44)	155.48	155.48
	1,724.65	**527.75**

** Refer note 6 for impairment testing of Goodwill*

4 (b). Intangible assets

	Brand*	Design and Formulation	Software	Trademarks	Franchise agreements	Non-compete agreement	Total
Cost							
As at April 01, 2024	**989.29**	**20.50**	**41.55**	**206.51**	**4.40**	**43.20**	**1,305.45**
Additions**	-	32.55	-	0.26	-	-	32.81
As at March 31, 2025	**989.29**	**53.05**	**41.55**	**206.77**	**4.40**	**43.20**	**1,338.26**
As at April 01, 2025	989.29	53.05	41.55	206.77	4.40	43.20	1,338.26
Additions	-	-	-	-	-	-	-
Acquisitions (Refer note 41)	793.68	-	-	-	-	-	793.68
As at March 31, 2026	1,782.97	53.05	41.55	206.77	4.40	43.20	2,131.94
Accumulated Amortisation							
As at April 01, 2024	**-**	**20.50**	**30.28**	**205.95**	**1.80**	**29.41**	**287.94**
Amortisation	-	6.09	4.20	0.05	0.88	13.79	25.01
As at March 31, 2025	**-**	**26.59**	**34.48**	**206.00**	**2.68**	**43.20**	**312.95**
As at April 01, 2025	-	26.59	34.48	206.00	2.68	43.20	312.95
Amortisation	-	8.23	4.11	0.09	0.88	-	13.31
As at March 31, 2026	-	34.82	38.59	206.09	3.56	43.20	326.26
Net book value							
As at March 31, 2025	**989.29**	**26.46**	**7.07**	**0.77**	**1.72**	**-**	**1,025.31**
As at March 31, 2026	1,782.97	18.23	2.96	0.68	0.84	-	1,805.68

** Refer note 6 for impairment testing of brand*

*** During the year ended March 31, 2025, the Holding Company entered into an asset purchase agreement with Cosmogenesis Cosmetics to acquire the formulation, expertise, research and development lab along with a small manufacturing facility. The acquisition is accounted for as an asset acquisition transaction in accordance with Ind AS 103. The assets acquired have been recorded at their fair value.*

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

5 Right-of-use assets and lease liabilities

(a) Group as a lessee

The Group has lease contracts for office premises, warehouses, retail stores, computer and peripherals used in its operations. The lease term of the lease contracts are ranging from 2 years to 13 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 and leases of low value.

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

	Buildings	Computer and Peripherals	Furniture	Total
Cost				
As at April 01, 2024	**1,503.71**	**87.51**	**-**	**1,591.22**
Additions	262.30	39.46	-	301.76
Modification	(23.06)	(16.73)	-	(39.79)
As at March 31, 2025	**1,742.95**	**110.24**	**-**	**1,853.19**
As at April 01, 2025	1,742.95	110.24	-	1,853.19
Additions	275.72	37.07	1.52	314.31
Modification	(139.95)	-	-	(139.95)
As at March 31, 2026	1,878.72	147.31	1.52	2,027.55
Accumulated Depreciation				
As at April 01, 2024	**301.38**	**47.23**	**-**	**348.61**
Charge for the year	297.67	29.70	-	327.37
Modification	(16.45)	(16.73)	-	(33.17)
As at March 31, 2025	**582.60**	**60.20**	**-**	**642.80**
As at April 01, 2025	582.60	60.20	-	642.80
Charge for the year	293.84	36.51	0.06	330.41
Modification	(81.19)	-	-	(81.19)
As at March 31, 2026	795.25	96.71	0.06	892.02
Net book value				
As at March 31, 2025	**1,160.35**	**50.04**	**-**	**1,210.39**
As at March 31, 2026	1,083.47	50.60	1.46	1,135.53

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

Carried at amortised cost

	As at March 31, 2026	As at March 31, 2025
Non current		
Lease liabilities	1,004.55	1,097.94
Total non-current lease liabilities (A)	1,004.55	**1,097.94**
Current		
Lease liabilities	348.91	266.06
Total current lease liabilities (B)	348.91	**266.06**
Total lease liabilities (C=A+B)	1,353.46	**1,364.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

(d) Following are the amounts recognised in Profit and loss account:

	For the year ended March 31, 2026	For the year ended March 31, 2026
Depreciation of right-of-use-assets (Note 28)	330.41	327.37
Interest expense on lease liability (Note 29)	121.10	118.57
Rent expenses for short term lease (Note 30)	113.61	78.73
	565.12	**524.67**

(e) Impact on Statement of cash flow (decrease)T

	For the year ended March 31, 2026	For the year ended March 31, 2026
Lease payments (Including interest portion)	373.94	351.11
	373.94	**351.11**
Payment of principal portion of lease liabilities	252.84	232.54
Payment of interest portion of lease liabilities	121.10	118.57
	373.94	**351.11**

(f) Movement in lease liabilities for year ended March 31, 2025 and March 31, 2026:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,364.00	1,309.69
Add: Additions	309.93	326.84
Less: Modification	(67.63)	(39.99)
Add: Interest on lease liability	121.10	118.57
Less: Payment of lease liabilities (including interest)	(373.94)	(351.11)
Balance at the end of the year	**1,353.46**	**1,364.00**

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Less than one year	419.72	352.16
Between 1 to 5 years	935.51	984.46
More than 5 years	311.36	368.26
Total	**1,666.59**	**1,704.88**

6 Impairment testing of goodwill and brand

Carrying amount as at March 31, 2026:

	BTM Ventures Private Limited	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited	Total
Intangible assets				
Goodwill	1,196.90	155.48	372.27	1,724.65
Brand	793.68	168.49	820.80	1,782.97
Net Carrying value	**1,990.58**	**323.97**	**1,193.07**	**3,507.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Carrying amount as at March 31, 2025:

	BTM Ventures Private Limited	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited	Total
Intangible assets				
Goodwill	-	155.48	372.27	527.75
Brand	-	168.49	820.80	989.29
Net Carrying value	**-**	**323.97**	**1,193.07**	**1,517.04**

The Group tests whether goodwill and indefinite life brand has suffered any impairment on an annual basis or more frequently when there is an indication that the CGU may be impaired. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations uses cash flow projections based on financial budgets approved by the management.

The Group assessed the carrying value of its goodwill and indefinite life brand at CGU level to which they are attributable based on future operational plan, projected cash flows and carried out valuation. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill and indefinite life brand is appropriate for the CGUs- Fusion Cosmeceutics Private Limited, Bhabani Blunt Hairdressing Private Limited and BTM Ventures Private Limited.

	As at March 31, 2026			As at March 31, 2025	
	BTM Ventures Private Limited	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited	Fusion Cosmeceutics Private Limited	Bhabani Blunt Hairdressing Private Limited
Terminal growth rate	5.00%	5.00%	5.00%	5.00%	5.00%
Discount rate	15.50%	16.50%	16.20%	15.90%	15.70%

Sensitivity change in assumptions

A sensitivity analysis to a change in the key parameters (revenue growth and discount rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGUs recoverable amount would fall below their carrying amount.

7 Investments

	As at March 31, 2026	As at March 31, 2025
Non-Current		
(Unquoted and valued at cost, unless stated otherwise)		
Investment in Joint Venture		
3,508 Compulsorily Convertible Preference Shares (March 31, 2025: Nil) of ₹ 10 each in Couch Commerce Private Limited#	98.57	-
Total unquoted investment in Joint Venture valued at amortised cost [A]	**98.57**	**-**

 # On December 16, 2025, the Group has acquired 25% interest in Couch Commerce Private Limited, a joint venture engaged into the business of retail trading, marketing, and sale of oral hygiene products under the brand name 'Fang Oral' in line with Group's main product lines in India. The Group has acquired 3,508 equity Compulsory Convertible Preference Shares of ₹ 10 each at a consideration of ₹ 99.98 million. The Group's interest in Couch Commerce Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Summarised balance sheet as at March 31, 2026:

	As at March 31, 2026
Current assets (including cash and cash equivalents ₹ 93.69 million)	107.55
Non current assets	9.40
Current liabilities	(11.91)
Non current liabilities	(5.06)
Equity	**99.98**
Group's share of equity - 25%	25.00
Goodwill	49.30
Brand	24.27
Group's carrying amount of the investment	**98.57**

Summarised statement of profit and loss for the period December 16, 2025 to March 31, 2026

	For the period December 16, 2025 to March 31, 2026
Revenue from operations	33.14
Other income	0.99
Purchases of traded goods	(10.28)
Decrease/(Increase) in inventories of traded goods	(0.41)
Employee benefits expenses	(3.17)
Depreciation and amortisation expenses	(0.77)
Finance costs	(0.19)
Other expenses	(24.96)
Profit/(loss) before tax	**(5.65)**
Tax Expense	-
Profit/(loss) for the period	**(5.65)**
Other comprehensive income	-
Total comprehensive income	**(5.65)**
Group share of profit/(loss) for the period - 25%	**(1.41)**

The joint venture had no other contingent liabilities or capital commitments as at March 31, 2026 and March 31, 2025.

Investment in Quoted Bonds and Debentures

	No of units		Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
8% India Infradebt	500	-	52.15	-
7.65% Sundaram Home Finance	500	-	51.84	-
Total non-current quoted bonds and debentures valued at amortised cost [B]			**103.99**	**-**
Total non-current investments[C = A+B]			**202.56**	**-**
Aggregate book value of quoted non-current investments [Refer B above]			**103.99**	**-**
Aggregate market value of quoted non-current investments			103.99	-
Aggregate amount of impairment in value of quoted non-current investments			-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Current

Investment in Quoted Bonds and Debentures

(valued at amortised cost)

	No. of units		Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
8% India Infradebt	-	500.00	-	51.71
7.65% Sundaram Home Finance	-	500.00	-	51.33
Total current quoted bonds and debentures valued at amortised cost [D]			**-**	**103.04**
Investment in Quoted Mutual Funds				
(valued at fair value through profit and loss "FVTPL")				
SBI Corporate Bond Fund Direct-G	74,70,350	30,08,137	123.30	46.95
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund Direct-G	28,87,580	28,87,580	37.17	34.79
HDFC Corporate Bond Direct - Growth*	62,98,078	62,98,078	214.98	204.95
ICICI Prudential Corporate Bond Direct - Growth*	82,53,324	82,53,324	267.89	252.15
DSP Short Term Direct - Growth	-	36,85,984	-	182.22
HDFC Short Term Debt Direct - Growth	35,50,981	35,50,981	122.01	114.64
Kotak Bond Short-term Direct - Growth	32,13,016	32,13,016	191.33	180.08
HDFC Floating Rate Debt Direct - Growth	-	1,65,709	-	8.25
HDFC Nifty G-sec Dec 2026 Index Direct-G	38,89,834	38,89,834	49.50	46.40
HDFC Nifty G-Sec Jun 2027 Index Direct-G	29,36,222	29,36,222	37.32	34.90
Axis Banking & PSU Debt Direct - Growth*	12,250	12,250	34.46	32.56
Axis Strategic Bond Fund Direct - Growth*	37,96,366	37,96,366	121.95	113.98
Kotak Corporate Bond Direct - Growth*	29,390	29,390	119.94	113.09
Kotak Nifty SDL Apr 2027 Top 12 Equal Weight Index Fund Direct-G	19,53,657	19,53,657	25.23	23.52
HSBC Corporate Bond (formerly known as L&T Triple Ace Bond Direct-Growth)*	11,31,887	11,31,887	91.35	86.01
ICICI Pru Short Term Direct - Growth	7,65,761	7,65,761	52.42	49.06
Bharat Bond FOF - April 2030 Direct - Growth	24,19,838	24,19,838	37.30	35.55
India Grid Trust Invit Fund - Perpetual	1,46,286	1,46,286	24.19	20.58
Powergrid Infrastructure Investment Trust	3,22,385	3,22,385	29.09	24.51
ICICI Prudential Corporate Credit Opportunities AIF I	26,463	1,41,772	2.03	13.74
ICICI Pru Floating Interest Direct-G	-	65,359	-	29.59
Nippon India Corporate Bond Direct - Growth*	9,84,373	9,84,373	64.12	60.50
Nippon India ETF Nifty SDL - 2026 Maturity - Growth	5,00,000	5,00,000	68.61	64.44
Edelweiss Credit Plus Fund AIF	10	10	0.08	0.07
Aditya Birla SL Money Manager Direct-G	9,16,374	9,42,140	367.76	346.40
Aditya Birla SL Corporate Bond Direct-G	3,14,491	3,14,491	37.09	35.37
Aditya Birla SL CRISIL IBX Gilt - April 2026 Index Fund Direct-G	48,33,724	48,33,724	61.54	57.91
Bandhan Corporate Bond Direct-G	6,07,706	6,07,706	12.48	11.76
Bandhan Dynamic Bond Direct-G	20,72,774	20,72,774	79.19	77.69
Bandhan Bond Short Term Direct-G	1,10,212	23,54,846	7.00	140.73
ICICI Pru Equity Savings Direct-G	64,72,118	64,72,118	157.60	151.38
ICICI Pru Money Market Direct-G	-	5,42,907	-	204.50
Aditya Birla Sun Life Money Manager Fund	-	2,17,777	-	83.06
Aditya Birla Sun Life Overnight Fund	1,14,216	1,51,675	84.77	63.28
Total quoted mutual funds valued at FVTPL [E]			**2,521.70**	**2,944.61**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

	No. of units		Amount	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Unquoted other investments valued at amortised cost				
Beauty Wellness Association India			0.10	0.10
Total unquoted current investments [F]			**0.10**	**0.10**
Aggregate book value of quoted current investments [G = D+E]			**2,521.70**	**3,047.65**
Aggregate market value of quoted current investments			2,521.70	3,047.65
Aggregate value of unquoted current investments [Refer F above]			0.10	0.10
Aggregate amount of impairment in value of quoted current investments			-	-
Total current investments [H = G+F]			**2,521.80**	**3,047.75**

** Includes an amount of ₹ 294.70 million (March 31, 2025: ₹ 294.70 million) secured against bank guarantees on limits with banks.*

8 Other financial assets

(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Carried at amortised cost		
Non-current		
Security deposits	85.48	85.43
Fixed deposit with maturity of more than 12 months*#	5,555.44	4,380.26
Interest accrued	445.49	188.66
	6,086.41	**4,654.35**
Current		
Security deposits	60.68	50.82
Recoverable from payment partners	370.33	318.94
Unbilled revenue	-	3.23
Interest accrued	103.34	136.25
	534.35	**509.24**

** Includes an amount of ₹ 70.24 million (March 31, 2025: ₹ 70.24 million) secured against bank guarantees issued.*

 # Includes ₹ 277.85 million (March 31, 2025: ₹ 297.75 million) lien against overdraft facility with the banks.

	Less than 6 months	6 months to 1 year	1-2 Years	2-3 Years	More than 3 years	Total
March 31, 2026						
Undisputed unbilled revenue- considered good	-	-	-	-	-	-
Total	-	-	-	-	-	-
March 31, 2025						
Undisputed unbilled revenue- considered good	3.23	-	-	-	-	3.23
Total	**3.23**	**-**	**-**	**-**	**-**	**3.23**

There are no disputed unbilled dues for the year ended March 31, 2026 and year ended March 31, 2025.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

9 Income tax assets (Net)

	As at March 31, 2026	As at March 31, 2025
Non-current		
Advance tax (net)	44.38	12.10
	44.38	**12.10**

10 Other assets

	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital advances	1.77	1.52
	1.77	**1.52**
Current		
Balance with government authorities	582.95	215.72
Advance to employees	5.39	8.36
Prepaid expenses	62.71	52.31
Advance to suppliers	57.27	30.47
Other receivables	-	2.51
Right to receive inventory on provision for sales return	68.08	38.26
Less: Inventory provision against right to receive inventory	(13.57)	(8.16)
	762.83	**339.47**

11 Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Traded goods [includes goods in transit of ₹ 34.65 million (March 31, 2025: ₹ 32.72 million)] (Refer Note 26)	1,793.04	1,763.20
Less: Provision for slow moving inventories*	(142.53)	(180.41)
	1,650.51	**1,582.79**

** During the year ended March 31, 2026, ₹ 13.57 million (March 31, 2025: ₹ 8.16 million) has been reclassified to provision on right to receive inventory.*

12 Trade receivables

Carried at amortised cost

	As at March 31, 2026	As at March 31, 2025
Trade receivables	1,982.76	1,323.28
	1,982.76	**1,323.28**
Break-up for security details		
Trade receivables		
Unsecured, considered good	1,982.76	1,323.28
Trade receivables - credit impaired	226.30	240.52
	2,209.06	**1,563.80**
Impairment allowance (allowance for doubtful debts)		
Trade receivables - credit impaired	(226.30)	(240.52)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

	As at March 31, 2026	As at March 31, 2025
	(226.30)	(240.52)
Total trade receivables	1,982.76	1,323.28
Movement in impairment allowance (allowance for doubtful debts)		
Opening balance	240.52	160.08
Add: Charge for the year	18.20	124.28
Less: Reversal/write off during the year	(32.42)	(43.84)
Closing balance	226.30	240.52

As at March 31, 2026

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	1,300.76	681.57	-	0.25	0.19	-	1,982.77
Undisputed trade receivable - credit impaired	-	72.53	27.04	43.11	10.00	-	152.68
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	1.45	1.50	4.49	47.82	18.35	-	73.61
Total	1,302.21	755.60	31.53	91.18	28.54	-	2,209.06

As at March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		0-6 months	6 months – 1 year	1 - 2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	992.02	331.26	-	-	-	-	1,323.28
Undisputed trade receivable - credit impaired	28.10	129.56	40.97	33.61	8.28	-	240.52
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	1,020.12	460.82	40.97	33.61	8.28	-	1,563.80

- There are no non-current trade receivables as on March 31, 2026 and March 31, 2025

- 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 33. 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 have a credit period ranging between 30-180 days.

- For unbilled receivables, refer note 8.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

13 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Balance with banks		
- In current accounts	696.04	323.26
- Deposits with original maturity of less than or equal to three months	495.13	5.00
Cash in hand	1.07	1.41
	1,192.24	329.67
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balance with banks		
- In current accounts	696.04	323.26
- Deposits with original maturity of less than or equal to three months	495.13	5.00
Cash in hand	1.07	1.41
	1,192.24	329.67

14 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Deposits with original maturity of more than three months but less than or equal to twelve months	944.95	2,983.25
	944.95	2,983.25

15 Share Capital

Equity share capital

a) Authorised share capital

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each		
As at April 01, 2024	34,00,00,000	3,400.00
Increase during the year	-	-
As at March 31, 2025	34,00,00,000	3,400.00
As at April 01, 2025	34,00,00,000	3,400.00
Increase on account of Amalgamation (Refer note 44)	12,65,000	12.65
As at March 31, 2026	34,12,65,000	3,412.65
Equity share capital of ₹ 100 each		
As at April 01, 2024	580	0.06
Increase during the year	-	-
As at March 31, 2025	580	0.06
As at April 01, 2025	580	0.06
Increase during the year	-	-
As at March 31, 2026	580	0.06
Equity share capital of ₹ 90 each		
As at April 01, 2024	290	0.03
Increase during the year	-	-
As at March 31, 2025	290	0.03
As at April 01, 2025	290	0.03
Increase during the year	-	-
As at March 31, 2026	290	0.03

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for the year ended March 31, 2026

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

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

	Equity Shares	
	Numbers	Amount
Equity share capital of ₹ 10 each, fully paid up		
As at April 01, 2024	32,42,44,157	3,242.44
Issued during the year - Refer note (ii) below	9,39,453	9.40
As at March 31, 2025	**32,51,83,610**	**3,251.84**
As at April 01, 2025	32,51,83,610	3,251.84
Issued during the year - Refer note (i) below	1,86,184	1.86
As at March 31, 2026	32,53,69,794	3,253.70

Notes:

(i) During the year ended March 31, 2026, the Company issued 186,184 equity shares of ₹ 10 each against allotment of ESOP.

(ii) During the year ended March 31, 2025, the Company issued 939,453 equity shares of ₹ 10 each against allotment of ESOP.

(iii) There are no outstanding numbers of issued shares of Face Value of ₹ 100 each and ₹ 90 each as on March 31, 2026 and March 31, 2025. Thus, movement of the same has not been disclosed above.

c) Terms/rights attached to equity shares

The Holding Company has equity shares having par value of ₹ 10 per share. Each shareholder of equity shares is entitled to have one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to approval in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares is possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, as proportion to their holdings.

d) Details of shareholders holding more than 5% shares in the Holding Company:

	As at March 31, 2026		As at March 31, 2025	
	Nos.	Holding %	Nos.	Holding %
Equity shares of ₹ 10 each, fully paid				
Varun Alagh	10,55,82,701	32.45%	10,37,30,850	31.90%
ICICI Prudential Life Insurance Company Limited	4,82,63,012	14.83%	2,53,90,108	7.81%
Peak XV Partners Investments VI	2,74,67,996	8.44%	4,82,63,012	14.84%
	18,13,13,709		17,73,83,970	

e) Details of shares held by promoters:

Equity shares of ₹ 10 each, fully paid

As at March 31, 2026

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	10,37,30,850	18,51,851	10,55,82,701	32.45%	1.79%
Ghazal Alagh	99,64,700	-	99,64,700	3.06%	-

As at March 31, 2025

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	10,35,50,850	1,80,000	10,37,30,850	31.90%	0.17%
Ghazal Alagh	99,64,700	-	99,64,700	3.06%	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP), refer note 37.

g) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

(i) During the year ended March 31, 2023, the Company has issued bonus shares aggregating to 136,032,854 in accordance with Section 63 of the Act in the ratio of 12,899:1 to all equity shareholders with equity shares of face value of ₹ 10 each.

(ii) During the year ended March 31, 2023, 290 equity shares of face value of ₹ 90 per share were bought back for ₹ 90 per share.

(iii) During the year ended March 31, 2024, the Company has converted the NCCCPS into equity shares of ₹ 10 per share in the conversion ratio of 1:12,900.

15 A Instrument entirely in the nature of equity

Preference shares

a) Authorised share capital

0.001% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 10 each

	NCCCPS	
	Numbers	Amount
As at April 01, 2024	**26,730**	**0.27**
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase during the year	-	-
As at March 31, 2025	**26,730**	**0.27**
As at April 01, 2025	**26,730**	**0.27**
Class A NCCCPS	5,839	0.06
Class B NCCCPS	1,885	0.02
Class C NCCCPS	4,845	0.05
Class D NCCCPS	4,161	0.04
Class E NCCCPS	5,000	0.05
Class F NCCCPS	5,000	0.05
Increase on account of Amalgamation (Refer note 44)		
NCCCPS	8,86,000	8.86
Series A1 NCCCPS	20,000	0.20
As at March 31, 2026	9,32,730	9.33

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for the year ended March 31, 2026

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

0.1% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCCPS") of ₹ 100 each

	NCCCPS	
	Numbers	Amount
As at April 01, 2024	-	-
Increase during the year	-	-
As at March 31, 2025	**-**	**-**
As at April 01, 2025		
Increase during the year (Refer note 44)		
Series A NCCCPS	20,000	0.20
Series B NCCCPS	5,000	0.50
As at March 31, 2026	**25,000**	**0.70**

The Company has converted all the NCCCPS into equity shares of ₹ 10/- each in the conversion ratio of 1:12,900 on October 3, 2023. Further, there are no outstanding numbers of issued NCCCPS of Face Value of ₹ 10 each as on March 31, 2026 and March 31, 2025. Thus, movement of the same has not been disclosed above.

16 Other equity

	As at March 31, 2026	As at March 31, 2025
Securities premium	7,542.55	7,495.42
Retained earnings	2,895.18	858.61
Share based payment reserve	426.58	193.41
Capital redemption reserve	0.03	0.03
Foreign currency translation reserve	0.37	(1.12)
Statutory reserve	0.11	0.11
	10,864.82	**8,546.46**
(a) Securities premium		
Opening balance	7,495.42	7,331.23
Add: Premium on issue of equity shares	2.09	38.50
Add: Transferred to securities premium on exercise of stock options	45.04	125.69
Closing balance	**7,542.55**	**7,495.42**
(b) Retained earnings		
Opening balance	858.61	131.83
Add: Profit for the year	1,999.45	726.87
Add: Other comprehensive income/(loss)	36.88	(0.09)
Less: Change in fair value of non-controlling interest liability (Refer note 17)	(2.26)	-
Add: Reclass for Non-controlling interest (Refer note 17 and 41)	2.45	-
Add: Other adjustments	0.05	-
Closing balance	**2,895.18**	**858.61**
(c) Share based payment reserve		
Opening balance	193.41	248.10
Add: Share based payment expense for the year (Refer note 37)	288.22	71.00
Less: Transferred to securities premium on exercise of stock options	(45.04)	(125.69)
Less: Transferred to other financial liabilities	(10.01)	-
Closing balance	**426.58**	**193.41**
(d) Capital redemption reserve		
Opening balance	0.03	0.03
Add: Transfer from retained earnings	-	-
Closing balance	**0.03**	**0.03**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

	As at March 31, 2026	As at March 31, 2025
(e) Foreign currency translation reserve		
Opening balance	(1.12)	(1.03)
Add: Impact of translation of foreign subsidiary	1.49	(0.09)
Closing balance	**0.37**	**(1.12)**
(e) Statutory Reserve		
Opening balance	0.11	0.11
Add: Creation of statutory reserve	-	-
Closing balance	**0.11**	**0.11**

Nature and purpose of reserves

a) Securities premium:

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

b) Retained earnings:

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Consolidated Statement of Profit and Loss.

c) Share based payment reserve:

Shared based payment reserve is used to recognise the grant date fair value of equity-settled Employee stock option outstanding transactions with employees under the Employee stock option plan. Amounts recognised in this reserve are transferred to securities premium upon exercise of the options by employees or transferred to retained earnings when the options lapses.

d) Capital redemption reserve:

The capital redemption reserve represents the reserve created by the Holding Company on buy back of equity shares in accordance with the provisions of the Companies Act, 2013.

e) Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

f) Statutory Reserve

Statutory reserve is created by allocating 5% of the net profit of the subsidiary company, Honasa Consumer General Trading L.L.C as required by U.A.E. Federal Law No. 32 of 2021 ("Companies Law"), concerning Commercial Companies in the U.A.E. The subsidiary company can discontinue such annual transfers when this reserve totals 50% of the paid-up share capital. The reserve is not available for distribution, except as provided in the UAE Federal Decree-Law No. 32.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2026

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17 Other financial liabilities

		As at March 31, 2026	As at March 31, 2025
Non-Current			
Carried at amortised cost			
Security deposits		-	8.20
		-	**8.20**
Current			
Carried at fair value			
Non-controlling interest liability*		108.13	-
	(A)	**108.13**	**-**
Carried at amortised cost			
Employee benefits payable		332.33	142.59
Security deposits		1.00	0.59
Payable for capital goods		7.04	12.00
Others		24.37	62.09
	(B)	**364.74**	**217.27**
	(A+B)	**472.87**	**217.27**

** During the year ended March 31, 2026, the Holding Company has acquired 95% shareholding in BTM Ventures Private Limited for a purchase consideration of ₹ 1,979.62 million. Pursuant to the Shareholders Agreement between the Company and existing shareholders of BTM Ventures 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 obligation to acquire remaining stake in BTM Ventures Private Limited has been recorded as financial liability amounting to ₹ 108.13 million. 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 Ind AS 109.*

18 Provisions

	As at March 31, 2026	As at March 31, 2025
Non-current		
Provision for Gratuity (Refer note 34)	116.36	99.47
Provision for Leave benefits	1.86	-
	118.22	**99.47**
Current		
Provision for Gratuity (Refer note 34)	33.60	11.76
Provision for Leave benefits	70.48	75.96
	104.08	**87.72**

19 Other liabilities

	As at March 31, 2026	As at March 31, 2025
Current		
Statutory dues payable	176.16	124.37
Advance from customers (Refer note (i) below)	40.89	25.11
Provision for sales return (Refer note (i) below)	300.43	206.96
Deferred revenue (Refer note (i) below)	22.78	20.96
	540.26	**377.40**

(i) Movement during the year

	Advance from customers	Provision for sales return	Deferred revenue
Balance as at April 01, 2024	**69.18**	**152.48**	**19.48**
Arising during the year	25.11	206.96	20.96
Utilised during the year	(69.18)	(152.48)	(19.48)
Balance as at March 31, 2025	**25.11**	**206.96**	**20.96**
Balance as at April 01, 2025	**25.11**	**206.96**	**20.96**
Arising during the year	40.89	300.43	22.78
Utilised during the year	(25.11)	(206.96)	(20.96)
Balance as at March 31, 2026	**40.89**	**300.43**	**22.78**

** Pursuant to the approval of the scheme of amalgamation, the figures as at/for the year ended April 01, 2024 and March 31, 2025 have been restated to include the financial information of the transferor companies. Refer note 44 for details.*

20 Trade payables

Carried at amortised cost

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises ('MSME')	456.38	312.38
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,320.93	3,255.52
	3,777.31	**3,567.90**

There are no non-current trade payables as on March 31, 2026 and March 31, 2025.

The amount due to Micro and small 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 in respect of the registration status of its vendors/suppliers. The disclosure relating to micro and small enterprises are as under:

		As at March 31, 2026	As at March 31, 2025
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
	Principal amount due to micro and small enterprises	449.21	307.16
	Interest due on the above	7.17	5.22
	Total	**456.38**	**312.38**
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	1.95	1.69
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	7.17	5.22

(a) Trade payables are non-interest bearing and are generally settled up to 60 days.

(b) For explanations on the Group's credit risk management processes, refer to Note 39.

Notes to the Consolidated Financial Statements

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

Trade payables (outstanding for following years from the date of transaction) ageing schedule:

	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026						
(i) Undisputed dues - MSME	195.33	260.06	0.99	-	-	456.38
(ii) Undisputed dues - Others	1,438.74	1,875.37	6.79	0.02	0.01	3,320.93
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,634.07**	**2,135.43**	**7.78**	**0.02**	**0.01**	**3,777.31**
As at March 31, 2025						
(i) Undisputed dues - MSME	-	311.34	1.04	-	-	312.38
(ii) Undisputed dues - Others	1,413.21	1,837.85	0.53	3.93	-	3,255.52
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**1,413.21**	**2,149.19**	**1.57**	**3.93**	**-**	**3,567.90**

21 Income tax liability (Net)

	As at March 31, 2026	As at March 31, 2025
Current		
Income tax liability (net of advance tax)	440.01	381.13
	440.01	**381.13**

22 Tax expense (net)

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

a) Statement of Profits and Losses

Profit or loss section

	Year ended March 31, 2026	Year ended March 31, 2025
Current income tax:		
Current tax	600.43	277.48
Deferred tax:		
Relating to origination and reversal of temporary differences	(29.71)	(108.22)
Total tax expense	**570.72**	**169.26**

b) Other comprehensive income/(loss)

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

	Year ended March 31, 2026	Year ended March 31, 2025
Deferred tax charge/(credit) on remeasurements of defined benefit plans	12.41	(0.04)
Tax expense charged to OCI	**12.41**	**(0.04)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before income tax	2,572.62	896.13
Applicable tax rate in India	25.17%	25.17%
Computed tax charge	647.53	225.56
Deferred tax asset not recognised in subsidiaries/not recognised in previous years on carry forward losses	-	(43.74)
Expenses not deductible under income tax	5.77	(13.38)
Impact of income taxable at lower rate	(77.60)	-
Others	(4.98)	0.82
Income tax expense reported in the Consolidated Statement of Profit and Loss	**570.72**	**169.26**

d) Deferred tax relates to the following:

	As at March 31, 2026	As at March 31, 2025
Deferred tax liability		
Investments - Fair value	68.82	113.71
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	56.41	53.30
	125.23	**167.01**

	As at March 31, 2026	As at March 31, 2025
Deferred tax asset		
Allowance for doubtful debts	56.95	60.35
Property, plant and equipment: Impact of difference between tax depreciation and depreciation charged for the financial reporting	16.31	12.27
Provision for Gratuity	36.99	27.41
Provision for leave encashment	18.21	18.94
Provision for bonus	1.45	0.93
Provision for deferred revenue	3.46	2.23
Leases, net	54.86	38.66
Provision for slow moving inventory	38.76	45.20
Security deposits, net	7.81	8.33
Brought forward losses and unabsorbed depreciation	-	43.73
Others	**3.10**	**4.33**
	237.90	**262.38**
Net Deferred tax liability	**0.21**	**-**
Net Deferred tax (asset)	**(112.88)**	**(95.37)**

e) Reconciliation of deferred tax (net):

	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	(95.37)	12.89
Tax income/(expense) during the year		
- recognised in Consolidated Statement of Profit and Loss	(29.71)	(108.22)
- recognised in OCI	12.41	(0.04)
Closing balance (net)	**(112.67)**	**(95.37)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

f) The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2026 is as follows:

	April 01, 2025	Recognised in profit or loss	Recognised in OCI	March 31, 2026
Deferred tax liability/(asset) in relation to				
Investments - Fair value	113.71	(44.89)	-	68.82
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	41.03	(0.93)	-	40.10
Allowance for doubtful debts	(60.35)	3.40	-	(56.95)
Provision for Gratuity	(27.41)	(21.99)	12.41	(36.99)
Provision for leave encashment	(18.94)	0.73	-	(18.21)
Provision for bonus	(0.93)	(0.52)	-	(1.45)
Provision for deferred revenue	(2.23)	(1.23)	-	(3.46)
Brought forward losses and unabsorbed depreciation	(43.73)	43.73	-	-
Leases, net	(38.66)	(16.20)	-	(54.86)
Provision for slow moving inventory	(45.20)	6.44	-	(38.76)
Security deposits, net	(8.33)	0.52	-	(7.81)
Others	(4.33)	1.23	-	(3.10)
Net Deferred tax liability/(asset)	**(95.37)**	**(29.71)**	**12.41**	**(112.67)**

Notes:

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

(ii) During the year ended March 31, 2025, the Group has reassessed and basis projected availability of taxable future profits of Fusion Cosmeceutics Private Limited and recognised deferred tax asset thereon with respect to carry forward losses and other temporary differences.

g) Movement for the year ended March 31, 2025

	April 01, 2024	Recognised in profit or loss	Recognised in OCI	March 31, 2025
Deferred tax liability/(asset) in relation to				
Investments - Fair value	92.65	21.06	-	113.71
Property, plant and equipment and Intangible Assets: Impact of difference between tax depreciation allowed under the Income Tax Act and depreciation/amortisation charged for financial reporting	45.96	(4.93)	-	41.03
Deferred tax asset				
Allowance for doubtful debts	(40.14)	(20.21)	-	(60.35)
Provision for Gratuity	(19.01)	(8.37)	(0.04)	(27.41)
Provision for leave encashment	(14.18)	(4.76)	-	(18.94)
Provision for bonus	(0.49)	(0.44)	-	(0.93)
Provision for deferred revenue	(3.69)	1.46	-	(2.23)
Brought forward losses and unabsorbed depreciation	(46.41)	2.68	-	(43.73)
Leases, net	(16.88)	(21.78)	-	(38.66)
Provision for slow moving inventory	(22.54)	(22.66)	-	(45.20)
Security deposits, net	(8.79)	0.46	-	(8.33)
Others	-	(4.33)	-	(4.33)
Total	**(33.52)**	**(61.81)**	**(0.04)**	**(95.37)**
Less: Deferred tax not recognised earlier (Refer note (ii) above)	46.41	(46.41)	-	-
Net Deferred tax liability/(asset)	**12.89**	**(108.22)**	**(0.04)**	**(95.37)**

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for the year ended March 31, 2026

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

23 Revenue from operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products*	23,475.24	20,264.77
Sale of services	444.18	404.72
Revenue from operations	**23,919.42**	**20,669.49**

** During the year ended March 31, 2025, the Holding Company had executed Project 'Neev' which entails transition to direct distribution model across top 50 cities and in the process making the general trade distribution future ready. As part of the Project 'Neev' the Company had discontinued super stockist layer as well as certain direct distributors replacing them with higher quality/Tier 1 distributors to service Retailers across top 50 cities. Consequent to the aforesaid transition, revenue from operations for the year ended March 31, 2025 is net of sales return of ₹ 635.18 million with resulting inventory/right to return asset.*

As at March 31, 2026, the Holding Company has outstanding provision for sales return of ₹ 27.52 million (March 31, 2025:₹ 52.01 million) in this regard.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products (net of Goods and Service Tax)		
Traded goods	23,475.24	20,264.77
	23,475.24	**20,264.77**
Sale of services (net of Goods and Service Tax)		
Hair care	444.18	404.72
	444.18	**404.72**

23.1 Details of disaggregation of revenue

The Group derives its major revenue from sale of baby care, skin care, hair care and other related products and services, which is a single line of business. Refer Note 35 for details of the Group's revenue from operations from external customers by location of operations.

23.2 Contract balances

	As at March 31, 2026	As at March 31, 2025
Trade receivables (Refer note 12)	1,982.76	1,323.28
Unbilled revenue (Refer note 8)	-	3.23
Recoverable from Payment Partners (Refer note 8)	370.33	318.94
	2,353.09	**1,645.45**
Contract Liabilities		
Advance from customers (Refer note 19)	40.89	25.11
Deferred revenue (Refer note 19)	22.78	20.96
	63.67	**46.07**

23.3 Timing of revenue recognition

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue recognised at a point in time	23,919.42	20,669.49
Revenue from contract with customers	**23,919.42**	**20,669.49**

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for the year ended March 31, 2026

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

23.4 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	26,601.81	22,799.53
Adjustments		
Provision for sales return	(93.47)	(54.48)
Claims and rebates	(2,588.92)	(2,075.56)
Revenue from contract with customers	**23,919.42**	**20,669.49**

23.5 Performance obligations and remaining performance obligations:

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

24 Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on:		
Investments	424.32	280.02
Deposits with bank	199.19	270.59
Income tax refund	0.25	1.60
Unwinding of discount on security deposits	8.55	11.20
Fair value gain on investments measured at FVTPL	20.94	82.64
Gain on sale of investments measured at FVTPL	141.68	109.27
Foreign exchange gain (net)	11.78	7.98
Gain on lease modification	8.90	-
Others	20.23	24.04
	835.84	**787.34**

25 Purchases of traded goods

	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchases (traded goods)	7,146.52	6,563.87
	7,146.52	**6,563.87**

26 (Increase) in inventories of traded goods

	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year	1,763.20	1,322.61
- Acquisition (Refer note 41)	57.38	
Right to receive inventory on provision for sales return at the beginning of the year	38.26	44.23
(A)	**1,858.84**	**1,366.84**
Inventories at the end of the year	1,793.04	1,763.20
Right to receive inventory on provision for sales return at the end of the year	68.08	38.26
(B)	**1,861.12**	**1,801.46**
(Increase) in inventories of traded goods (A-B)	**(2.28)**	**(434.62)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

27 Employee benefits expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	2,196.28	1,807.29
Contribution to provident fund and other funds (Refer note 34)	30.37	29.09
Gratuity (Refer note 34)	50.50	38.69
Share based payments expenses (equity settled) (Refer note 37)	288.22	71.00
Staff welfare expenses	60.98	58.11
	2,626.35	**2,004.18**

28 Depreciation and amortisation expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment (refer note 3(a))	100.30	97.68
Depreciation of right-of-use-assets (refer note 5(b))	330.41	327.37
Amortisation of intangible assets (refer note 4(b))	13.31	25.01
	444.02	**450.06**

29 Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on		.
Lease liabilities	121.10	118.57
Bank overdraft	0.47	0.36
Others	1.29	-
Bank charges	8.52	7.56
	131.38	**126.49**

30 Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Advertisement expense	7,880.94	7,434.04
Freight and forwarding charges	1,821.36	1,622.04
Software support expenses	240.15	230.51
Sales Commission	624.10	1,140.14
Packaging materials and other consumables	201.17	252.73
Power and fuel	31.27	21.42
Rent (Refer note 5)	113.61	78.73
Rates and taxes	11.39	20.20
Contract Labour charges	227.57	213.45
Insurance	8.26	6.81
Repairs and maintenance	69.80	65.64
Travelling and conveyance	115.87	122.50
Communication costs	23.07	15.54
Printing and stationery	1.23	1.76

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Legal and professional charges (Refer note (i) below)	352.29	336.86
Bad debts written off	-	1.27
Payment gateway charges	15.54	13.91
Research and insights expense	0.81	0.29
Provision for slow moving inventory	(34.11)	94.76
Loss on sale of Property, plant and equipment	0.11	16.42
Corporate social responsibility expenses (Refer note (ii) below)	20.81	15.28
Allowance for doubtful debts	18.20	124.28
Miscellaneous expenses	36.43	14.74
Directors sitting fees	7.40	7.40
	11,787.27	11,850.72

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fee paid to statutory auditors of Standalone and Consolidated financial statements	5.60	5.70
Limited review fees	7.40	5.50
Audit fees relating to subsidiary companies	1.40	2.57
Other services fees relating to subsidiary companies	0.14	0.27
Reimbursement of expenses	0.92	1.15
Certification fees	1.10	1.60
	16.56	16.79

(ii) Details of CSR Expenditure

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

The Group has incurred ₹ 21.22 million (March 31, 2025: ₹ 13.00 million) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act.

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent by the Group during the year	20.81	15.28
b) Amount approved by the Board to be spent during the year	21.37	13.00

c) Amount spent during the period ended March 31, 2026

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	21.22	-	21.22

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

d) Amount spent during the year ended March 31, 2025

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of assets	-	-	-
ii) On purposes other than above	13.00	-	13.00

Details of ongoing project and other than ongoing project for the year ended March 31, 2026

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

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
0.16	-	20.81	21.22	0.57

Details of ongoing project and other than ongoing project for the year ended March 31, 2025

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

In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
2.44	-	15.28	13.00	0.16

31 Earnings/(loss) per share

Basic Earnings per share ('EPS') amounts are calculated by dividing the Consolidated profit for the period attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

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

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax attributable to equity holders of the Parent [A]	1,999.45	726.87
Weighted average number of shares outstanding during the year for basic EPS		
Equity shares of ₹ 10 each	32,51,83,610	32,43,15,723
Vested employee stock options##	4,35,645	7,69,761
Total considered for basic EPS [B]	32,56,19,255	32,50,85,484
Weighted average number of shares outstanding during the year for diluted EPS [C]		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

	For the year ended March 31, 2026	For the year ended March 31, 2025
Total considered for basic EPS	32,56,19,255	32,50,85,484
Add: Unvested Employee Stock Options	12,61,658	8,11,660
Total considered for diluted EPS [C]	**32,68,80,913**	**32,58,97,144**
Basic earnings/(loss) per share (in ₹) [A/B]		
Equity shares of ₹ 10 each	6.15	2.24
Diluted earnings/(loss) per share (in ₹) [A/C]#		
Equity shares of ₹ 10 each	6.12	2.23

 # For the purpose of computation of diluted EPS, the effect of ESOP has not been given which have anti-dilutive effect.

As the exercise price of options are significantly lower than the share value i.e. no further substantive consideration will be received by the Holding Company on issuance of the shares, the vested option has the substance of an issued share from the effective date of vesting in such a case, the entity includes such vested option in the weighted average number of outstanding shares for basic EPS from the date on which the option vests.

32 Distribution made and proposed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividends on equity shares paid	-	-
Proposed dividends on equity shares:*		
Final dividend for the year ended March 31, 2026: ₹ 3.00 per share (March 31, 2025: ₹ Nil)	976.11	-

** The Board of Directors at their meeting held on May 21, 2026 have recommended a final dividend of ₹ 3 per equity share of ₹ 10 each for the financial year ended March 31, 2026, subject to approval of the shareholders at the ensuing Annual General Meeting. In accordance with Ind AS 10 – 'Events After the Reporting Period', the dividend recommended by the Board of Directors has not been recognised as a liability as at March 31, 2026. The dividend payable is subject to the share capital as at the record date.*

33 Related party disclosures

Note 1(b) of Material accounting policies forming part of Consolidated Financial Statements provides the information about the Group's structure including the details of the subsidiaries. Names of related parties and related party relationship, irrespective of whether transaction have occurred or not is given below:

Entities where control exists	Nature of relationship
Bhabani Blunt Hairdressing Private Limited	Subsidiary (100%)
B:Blunt Spratt Hairdressing Private Limited	Stepdown Subsidiary (100%)
PT Honasa Consumer Indonesia	Subsidiary (100%)
Honasa Consumer General Trading L.L.C.	Subsidiary (100%)
BTM Ventures Private Limited (w.e.f. January 06, 2026)	Subsidiary (95%)
Couch Commerce Private Limited (w.e.f. December 16, 2025)	Joint Venture (25%)
Key management personnel (KMP) of Holding company	
Directors	
Varun Alagh	Director and Chief Executive Officer
Ghazal Alagh	Director
Ishaan Mittal	Director
Vivek Gambhir	Independent Director
Namita Gupta	Independent Director
Subramaniam Somasundaram	Independent Director
Other KMP	
Raman Preet Sohi	Chief Financial Officer
Dhanraj Dagar (resigned w.e.f July 10, 2025)	Company Secretary
Gaurav Pandit (w.e.f. July 18, 2025)	Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties as at March 31, 2026 and March 31, 2025. This assessment is undertaken at each financial period through examining the financial position of the related party and the market in which the related party operates. There are no commitments with related parties.

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

Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Reimbursement of expenses		
Varun Alagh	0.16	0.33
Ghazal Alagh	0.01	0.33
Ramanpreet Sohi	0.02	-
	0.19	**0.66**
Remuneration paid*		
Varun Alagh	48.38	30.88
Ghazal Alagh	29.98	18.99
Ramanpreet Sohi	59.24	37.88
Dhanraj Dagar	1.23	5.02
Gaurav Pandit	3.73	-
	142.56	**92.77**
Directors sitting fees		
Vivek Gambhir	2.20	2.20
Namita Gupta	2.20	2.20
Subramaniam Somasundaram	3.00	3.00
	7.40	**7.40**
Share based payment expenses		
Ramanpreet Sohi	59.02	8.33
Dhanraj Dagar	-	0.17
	59.02	**8.50**

** 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.*

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

	As at March 31, 2026	As at March 31, 2025
No. of Employee Stock Options Outstanding		
Ramanpreet Sohi	7,19,785	1,18,481
Dhanraj Dagar	-	1,548
	7,19,785	**1,20,029**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

34 Employee benefits plan

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

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group recognised ₹ 30.37 million (March 31, 2025: ₹ 29.09 million) towards such contributions in the Consolidated Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined benefit plans (unfunded):

The Group provides for gratuity under defined benefit plan as per the Code on Social Security, 2020, which subsumes the Payment of Gratuity Act, 1972. Every employees who has completed five years or more of service are entitled to gratuity at 15 days of wages (last drawn) for each completed year or part thereof in excess of six months of service, subject to the statutory ceiling. The scheme is not externally funded.

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

Interest risk	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity risk	This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of Chapter V (Gratuity) of the Code on Social Security, 2020 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts.

	As at March 31, 2026	As at March 31, 2025
Current	33.60	11.76
Non-current	116.36	99.47
	149.96	**111.23**

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

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2026:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2025	111.23	-	111.23
Amount recognised in Statement of Profit and Loss:			
Acquisition related obligation (Refer note 41)	0.81	-	0.81
Current service cost	40.68	-	40.68
Interest cost on benefit obligation	7.11	-	7.11
Past service cost	44.00	-	44.00
Total amount recognised in statement of profit and loss	**92.60**	**-**	**92.60**
Benefits paid	(4.58)	-	(4.58)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	(43.11)	-	(43.11)
Actuarial changes arising from changes in financial assumptions	11.96	-	11.96
Experience adjustments	(18.14)	-	(18.14)
Total amount recognised in other comprehensive income	**(49.29)**	**-**	**(49.29)**
Contributions by employer	-	-	-
As at March 31, 2026	**149.96**	**-**	**149.96**

Changes in the defined benefit obligation and fair value of plan assets for the year ended March 31, 2025:

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
As at April 01, 2024	**76.61**	**-**	**76.61**
Amount recognised in Statement of Profit and Loss:			
Current service cost	33.37	-	33.37
Interest cost on benefit obligation	5.32	-	5.32
Total amount recognised in statement of profit and loss	**38.69**	**-**	**38.69**
Benefits paid	(4.20)	-	(4.20)
Remeasurement			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	6.62	-	6.62
Experience adjustments	(6.49)	-	(6.49)
Total amount recognised in other comprehensive income	**0.13**	**-**	**0.13**
Contributions by employer	-	-	-
As at March 31, 2025	**111.23**	**-**	**111.23**

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below:

	As at March 31, 2026	As at March 31, 2025
Discount rate (p.a.)	6.00% - 6.70%	6.75% - 7.29%
Salary growth rate	7.5% - 10%	5% - 10%
Normal retirement age	60 years	60 years
Attrition/withdrawal (per annum)	10% - 35%	5% - 35%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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

The principal assumptions used in determining gratuity benefit obligations for the Group's plans are shown below in case of contractual employees:

	As at March 31, 2026	As at March 31, 2025
Discount rate (p.a.)	6.00%	-
Future salary increases	10.00%	-
Normal retirement age	60 years	-
Attrition/withdrawal (per annum)	10.32%	-
Mortality	100% of Indian Assured Lives Mortality (2012-14)	-

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

	Sensitivity Level	As at March 31, 2026		As at March 31, 2025	
		Impact on Defined benefit obligation		Impact on Defined benefit obligation	
		Increase	Decrease	Increase	Decrease
Discount rate	0.5% increase/decrease	(3.29)	3.47	(9.02)	14.05
Salary growth rate	0.5% increase/decrease	2.68	(2.62)	10.01	(5.86)
Attrition rate	0.5% increase/decrease	(0.49)	0.66	(0.01)	3.85

A quantitative sensitivity analysis for significant assumptions are as shown below in case of contractual employees:

	Sensitivity Level	As at March 31, 2026		As at March 31, 2025	
		Impact on Defined benefit obligation		Impact on Defined benefit obligation	
		Increase	Decrease	Increase	Decrease
Discount rate	1% increase/decrease	(0.25)	0.25	-	-
Future salary increase	1% increase/decrease	0.24	(0.24)	-	-
Attrition rate sensitivity	1% increase/decrease	0.01	(0.01)	-	-

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

The following payments are expected cash flows to the defined benefit plan in future years:

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 to 15 years (March 31, 2025: 4 years to 20 years). The expected maturity analysis of undiscounted gratuity is as follows:

	As at March 31, 2026	As at March 31, 2025
Within the next 12 months	33.60	11.76
Between 2 and 5 years	90.13	23.11
Beyond 5 years	87.03	390.83

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35 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', 'Staze', 'Dr Sheths', 'Lumineve', 'Reginald Men' and 'Molecular' and services comprises of beauty salon and hair styling services (under the trademark 'BBlunt'). The Company, together with its subsidiaries, sells its products and services primarily in India. The Board of Directors being the Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segment results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Group operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit/(loss) as per the Consolidated Statement of Profit and Loss represents the revenue, total expenses and net profit/(loss) of the sole reportable segment.

Geographical Information

The operations of the Group are managed on a worldwide basis and they operate in two principal geographical areas of the world, in India and outside India. The following table describes the segment information of the Group.

The Group's revenue from operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

(i) The amount of revenue from external customers broken down by location of customers is shown below:

	Year ended March 31, 2026	Year ended March 31, 2025
India	23,274.87	20,094.09
Outside India	644.55	575.40
	23,919.42	**20,669.49**

(ii) The non-current assets of the Group are located in the country of domicile, i.e., India. Hence no specific disclosures have been made. The overseas subsidiaries do not have any non current assets outside India as at the reporting date.

36 Commitments & Contingent Liabilities

a) Commitments

Refer note 5 for lease commitments.

As at March 31, 2026, the Company has commitment towards purchase of capital assets of ₹ 10.17 million (March 31, 2025: ₹ Nil).

b) Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
Claims against the Group not acknowledged as debts*#	Refer note below	
Bank guarantee**	338.80	278.80

** RSM General Trading LLC ('RSM'), an overseas distributor of the Holding Company had filed a legal suit against the Company in the Court of First Instance in UAE on the grounds that the Distributorship Agreement between RSM and the Company was terminated illegally by the Company without complying with provisions of the Distributorship Agreement. RSM, in the legal suit, claimed damages to the tune of AED 45 million (equivalent to ₹ 1,001.25 million), wherein the Court on May 16, 2024, ordered the Company to pay an amount of AED 25.07 million (equivalent to ₹ 576.65 million) plus interest at the rate of 5% from the date of order till the date of payment ("UAE Court Order/Original Judgement"). The Company, subsequently, filed an appeal against the said order, which was subsequently dismissed by the Court of Appeal on October 15, 2024 ("Judgement"). The Company then filed an appeal against the Judgement before the Cassation Court, and the Cassation Court on March 26, 2025 allowed the Appeal referring the case back to Court of Appeal for a re-hearing by a panel composed of different judges. The Court of Appeal, composed of a different panel, issued*

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

a preliminary judgement on July 16, 2025 appointing 2 experts to review the case files and documents and directed the experts to submit an expert report. The Experts submitted a final expert report on November 24, 2025 and supplemental report dated January 22, 2026 noting breaches of the Company as well as RSM and concluded that RSM is entitled to a compensation of only AED 1.75 million (equivalent to ₹ 42.75 million).

Thereafter, the Court of Appeal in its judgement dated February 11, 2026, affirmed the aforesaid compensation amount AED 1.75 million payable by the Holding company. Further, both parties challenged this judgement of the Court of Appeal before the Cassation Court (Highest Court of Dubai, UAE). The Cassation Court has fixed June 17, 2026, for a hearing and subsequent judgement.

The Holding Company had further filed a petition under Section 9 of Arbitration and Conciliation Act, 1996, in High court of Delhi seeking Anti-suit and enforcement injunction prohibiting RSM from continuing proceedings in UAE, which was subsequently allowed by the Court. RSM appealed against this judgement before the division bench of Delhi High Court seeking stay on the anti-suit enforcement and the direction to deposit ₹ 576.65 million to Delhi High Court. Further, the Court, on September 01, 2025 dismissed the appeal, on the grounds that arbitration has already commenced in India as per the dispute resolution clause of the Agreement and that both Parties shall agitate their disputes before the arbitral tribunal.

Pursuant to conclusion of the trial and subsequent completion of the arbitral proceedings, the Tribunal has now passed an award in favour of the Holding Company on May 14, 2026. The Award categorically declared that (i) it has the jurisdiction to adjudicate the disputes raised in the proceedings; (ii) RSM breached the Arbitration Agreement, Exclusive Jurisdiction and Governing Law clause under the Authorised Distribution Agreement ('ADA') by instituting proceedings before the Dubai Court; (iii) RSM is injuncted from initiating/continuing any proceedings before the Dubai Courts; (iv) Termination of the ADA by the Holding Company was valid and not unlawful as held by Dubai Courts by virtue of the termination clause; and (v) RSM is liable to pay an amount of AED 7.25 million (₹ 188.84 million), towards various claims filed by the Holding Company, including a post award interest should the amount remain unpaid after a period of 30 days.

Accordingly, in view of the above, the Holding Company does not expect any material financial impact.

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

*** Includes Bank Guarantees issued in favour of Hewlett Packard Financial Services (India) Pvt. Ltd. against laptops taken on lease amounting to ₹ 85.60 million (March 31, 2025: ₹ 85.60 million), performance guarantees issued in favour of The Deputy General Manager - Canteen Stores Department amounting to ₹ 193.20 million (March 31, 2025: ₹ 193.20 million) and in favour of JellyFish Digital Private Limited amounting to ₹ 60.00 million (March 31, 2025: ₹ Nil).*

37 Share based payments

A. Employee Share Option Plan (ESOP) of the Holding Company

Employees Stock Option Plan 2018

On August 02, 2018, the Board of Directors of the Holding Company approved the equity settled "Employee Stock Option Plan 2018" for issue of stock options to various employees of the holding company. According to the scheme, the employees will be entitled to options, subject to their continued employment with the Group. There would be graded vesting on annual basis for the next 4 years. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till last working day of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares ₹ 10 each
Ownership	Legal and Beneficial Ownership
Vesting Pattern	- Time based grants: 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. - 50% tenure and 50% performance linked grants: Four-year vesting term at the rate of 20% for the first two years each and then 30% for the remaining two years each. - Performance based grants: Options will vest based on achievement of various performance based targets upto FY2030.
Exercise Price	Exercisable at an exercise price of ₹ 10, ₹ 20.43 and ₹ 262.41.
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.

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for the year ended March 31, 2026

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

Movements during the year

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

Particulars	March 31, 2026		March 31, 2025	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	14,93,976	33.85	21,67,209	106.17
Granted during the year**#	26,32,042	10.00	4,42,832	23.51
Forfeited during the year	(2,75,010)	86.12	(2,50,494)	119.26
Extinguished during the year##	(23,698)	262.41	-	-
Exercised during the year	(1,73,647)	21.55	(8,65,571)	54.22
Outstanding at the end of the year	36,53,663	42.23	14,93,976	109.56
Exercisable at the end of the year	6,31,213	147.15	4,63,431	65.24
Weighted Average Remaining Contractual Life	4.74 years		4.79 years	

*** During the year ended March 31, 2026 and March 31, 2025, the options granted by the Holding Company includes options having 50% time based vesting and 50% performance based vesting. In respect of the 50% performance based grants, performance targets are for all the years are not communicated to employees and only the performance conditions for the respective years are communicated. Accordingly, the Holding Company has only accounted for performance conditions of FY 2025-26 during the year ended March 31, 2026 and performance condition for FY 2024-25 during the previous year ended March 31, 2025, and has not accounted for the performance grants for FY 2026-27 and beyond since the performance conditions are substantive and not defined, in accordance with Ind AS 102.*

 # During the current year ended March 31, 2026, the Company has also granted options with only performance targets to it's employees. The Holding Company expects the targets to be achieved in respective years. Accordingly the company has accounted for these employee stock options in accordance with IND AS 102.

The Nomination and Remuneration Committee of the Company vide resolution dated August 01, 2025 approved the cancellation of 23,698 stock options granted by the Company, in accordance with the terms and conditions of the addendum to the employment agreement entered by and between the Company and the respective beneficiary of the ESOP. Accordingly, accelerated cost equivalent to the fair value of the option amounting to ₹ 8.81 million has been recognised in the books as per Ind AS 102 and cash payouts to be made by the Company amounting to ₹ 10.01 million equivalent to the fair value of such ESOPs on the date of cancellation have been transferred from Share based payment reserve to other financial liabilities.

This is a one-off event and ESOP Plan Honasa Consumer Limited 2018 continues to be equity settled and all options are likely to be settled by way of equity upon completion of vesting.

The weighted average fair value of the options granted during the year is ₹ 215.46 (March 31, 2025: ₹ 443.62)

Employees Stock Option Plan 2021

Pursuant to the resolutions passed by the board of directors and the shareholders of the Company on December 15, 2022 and December 17, 2022, respectively, the share appreciation rights (SARs) Scheme was amended and rechristened by the Company to Employee stock options plan 2021 (ESOP scheme 2021) ("December 2022 Amendment"). Except for the ratio for conversion of the ESOPs into Equity Shares on account of the December 2022 Amendment and the bonus shares issuance dated May 11, 2022, all other terms of the SARs granted under the SAR Scheme (now rechristened as ESOP scheme 2021), including date of grant, vesting schedule, and the exercise price remained the same. The contractual life (comprising the vesting period and the exercise period) of options granted is from the date of such grant till the resignation of the employee. The other relevant terms of the grant are as below:

Class of Share	Equity Shares
Ownership	Legal and beneficial Ownership
Vesting Pattern	Two-year vesting term and vest at the rate of 40% in the first year and 60% in second year and become fully exercisable, subject to employee being in the employment of the Company
Exercise Price	Exercisable at an exercise price of ₹ 10 per option
Economic Benefits/ Voting Rights	The holders of the equity shares will be entitled to the economic benefits of holding these shares only after the completion of the various vesting terms mentioned above and shall acquire voting rights as a shareholder of the Company

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Movements during the year

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

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	ESOP-2018	ESOP-2021#	ESOP-2018	ESOP-2021#
Outstanding at the beginning of the year	20,977	10.00	56,484	10.00
Forfeited during the year	-	10.00	-	10.00
Exercised during the year	(4,474)	10.00	(35,507)	10.00
Outstanding at the end of the year	16,503	10.00	20,977	10.00
Exercisable at the end of the year	16,503	10.00	20,977	10.00

The fair value of the stock options is estimated using Black Scholes valuation model considering the following inputs:

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	ESOP-2018	ESOP-2021#	ESOP-2018	ESOP-2021#
Weighted average fair values at the measurement date	206.93	-	422.96	-
Dividend yield (%)	0.00%	-	0.00%	-
Expected volatility (%)	45.00%	-	45.00%	-
Risk-free interest rate (%)	5.93%-6.45%	-	6.80%-6.82%	-
Expected life of the options (in years)	4.74	-	4.79	-
Weighted average share price	249.84	-	451.23	-

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

 # There are no new options granted under the ESOP scheme 2021 during the year ended March 31, 2026 and March 31, 2025 and hence valuation model inputs are not disclosed above.

B. The promoters of Bhabani Blunt Hairdressing Private Limited are entitled to retention bonus from the Holding Company in the following manner:

Particulars	Total Shares	Vesting period	Exercise Price
- Two equity shares to CEO of Bhabani Blunt Private Limited	25,800	2 years	20.39
- Three Equity shares to CEO of Bhabani Blunt Private Limited	38,700	4 years	20.39

Movements during the year

The following are the movements in share options during the year:

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	No. of shares	WAEP	No. of shares	WAEP
Outstanding at the beginning of the year	16,125	20.39	54,500	20.39
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	(8,063)	20.39	(38,375)	20.39
Outstanding at the end of the year	8,062	20.39	16,125	20.39
Weighted Average Remaining Contractual Life	1 year		1 year	

The total share based payment expense recognised for employee services received by the Holding Company during the year is shown in the following table:

	Year ended March 31, 2026	Year ended March 31, 2025
Expense arising from equity-settled share-based payment transactions	288.22	71.00
Total	**288.22**	**71.00**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

38 Financial instruments by category and Fair value hierarchy

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

	Level	As at March 31, 2026	As at March 31, 2025
Measured at fair value through statement of profit and loss ('FVTPL')			
Investment in mutual funds and Bonds (Note 7)	1	2,521.70	2,944.61
Total financial assets measured at FVTPL		**2,521.70**	**2,944.61**
Measured at amortised cost			
Investment in bonds, commercial paper and other investments (Note 7)		104.09	103.14
Trade receivables (Note 12)		1,982.76	1,323.28
Cash and cash equivalents (Note 13)		1,192.24	329.67
Bank balances other than cash and cash equivalents (Note 14)		944.95	2,983.25
Other financial assets (Note 9)		6,620.77	5,163.59
Total financial assets measured at amortised cost		**10,844.81**	**9,902.93**
Total financial assets		**13,366.51**	**12,847.54**

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

	As at March 31, 2026	As at March 31, 2025
Measured at fair value through statement of profit and loss ('FVTPL')		
Non-controlling interest liability (Refer note 17)	108.13	
Total financial liabilities measured at FVTPL	**108.13**	**-**
Measured at amortised cost		
Lease liabilities (Note 5)	1,353.46	1,363.99
Trade payables (Note 20)	3,777.31	3,567.90
Other financial liabilities (Note 17)	364.74	225.47
Total financial liabilities measured at amortised cost	**5,495.51**	**5,157.37**
Total financial liabilities	**5,603.64**	**5,157.37**

The carrying values of the financial assets and liabilities measured at amortised cost is equal to their fair values. Accordingly, the fair values of such financial assets and liabilities have not been disclosed separately.

Notes:

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

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a. Level 1 - Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can assess at the measurement date

b. Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

c. Level 3 - Unobservable inputs for the assets or liabilities.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire management.

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

Valuation techniques and significant unobservable inputs - Level 3

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

	Non-controlling interests liability
As at April 01, 2024	-
Charge to Profit and Loss	-
Additions	-
Accounted in equity	-
As at March 31, 2025	**-**
As at April 01, 2025	-
Charge to Profit and Loss	-
Additions (Refer note 17)	108.13
Accounted in equity	-
As at March 31, 2026	**108.13**

39 Financial risk management Objectives & 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 significant borrowings, the impact of change in interest rate is not significant.

ii. Foreign Currency risk

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

The Group's exposure in foreign currency at the end of reporting year:

Particulars		As at March 31, 2026		As at March 31, 2025	
		FC	₹	FC	₹
AED	Liability				
	Trade payables	(0.27)	(6.54)	(0.22)	(5.19)
	Assets				
	Trade receivables	0.09	2.17	0.02	0.48
		(0.18)	**(4.37)**	**(0.20)**	**(4.71)**
EUR	Liability				
	Trade payables	(0.01)	(0.95)	(0.04)	(3.89)
		(0.01)	**(0.95)**	**(0.04)**	**(3.89)**
QAR	Assets				
	Trade receivables	1.24	28.94	0.68	15.96
		1.24	**28.94**	**0.68**	**15.96**
AUD	Assets				
	Trade receivables	0.01	0.47	0.00	0.24
		0.01	**0.47**	**0.00**	**0.24**
GBP	Assets				
	Trade receivables	0.09	9.86	0.00	0.41
		0.09	**9.86**	**0.00**	**0.41**
USD	Liability				
	Trade payables	(0.31)	(28.56)	(0.35)	(29.80)
	Assets				
	Trade receivables	0.92	81.42	0.34	29.29
		0.61	**52.86**	**(0.01)**	**(0.51)**
CAD	Liability				
	Trade payables	(0.04)	(2.77)	-	-
	Assets				
	Trade receivables	-	-	0.06	3.60
		(0.04)	**(2.77)**	**0.06**	**3.60**
NPR	Liability				
	Trade payables	-	-	(0.27)	(0.17)
	Assets				
	Trade receivables	-	-	3.56	2.23
		-	**-**	**3.29**	**2.06**
SGD	Liability				
	Trade payables	-	-	(0.01)	(0.37)
	Assets				
	Trade receivables	0.00	0.36	-	-
		0.00	**0.36**	**(0.01)**	**(0.37)**

Sensitivity:

		Impact on profit before tax	
		March 31, 2026	March 31, 2025
AED	Increases by 5%	(0.22)	(0.28)
	Decreases by 5%	0.22	0.28
EUR	Increases by 5%	(0.05)	(0.19)
	Decreases by 5%	0.05	0.19
QAR	Increases by 5%	1.45	0.80
	Decreases by 5%	(1.45)	(0.80)
AUD	Increases by 5%	0.02	0.01
	Decreases by 5%	(0.02)	(0.01)
GBP	Increases by 5%	0.49	0.02
	Decreases by 5%	(0.49)	(0.02)
USD	Increases by 5%	2.64	(0.03)
	Decreases by 5%	(2.64)	0.03
CAD	Increases by 5%	(0.14)	0.18
	Decreases by 5%	0.14	(0.18)
NPR	Increases by 5%	-	0.10
	Decreases by 5%	-	(0.10)
SGD	Increases by 5%	(0.02)	(0.02)
	Decreases by 5%	0.02	0.02

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

iii. Equity Price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

b) Credit risk

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

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

Accordingly the Company considers the credit risk as low.

	March 31, 2026	March 31, 2025
Trade receivables (refer note (i) below)	1,982.76	1,323.28
Recoverable from payment partner (refer note (i) below)	370.33	318.94
Investment in mutual funds, bonds and commercial papers (refer note (ii) below)	2,625.69	3,047.75
Cash and cash equivalents (refer note (iii) below)	1,192.24	329.67
Bank balances other than cash and cash equivalents (refer note (iii) below)	944.95	2,983.25
Other financial assets other than recoverable from payment partners (refer note (iii) below)	6,250.44	4,844.65

i) Trade receivables and recoverable from payment partners

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

The following table summarises the change in the loss allowance

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	240.52	160.08
Allowance made during the year (net)	18.20	124.28
Reversal/write off during the year	(32.42)	(43.84)
Closing balance	**226.30**	**240.52**

ii) Investment in mutual funds, bonds and commercial papers

The Group has invested in multiple funds which are susceptible to risk of failure to redeem or collect the sale proceeds. The Group mitigates related risk by investing in different types of funds and through regulated brokers.

iii) Cash and cash equivalents, other bank balances and other financial assets

Cash and cash equivalents, deposits with bank and interest receivable are placed with a reputable financial institution with high credit ratings and no history of default.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

c) Liquidity risk

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

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

Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2026					
Lease liabilities	-	419.72	935.51	311.36	1,666.59
Trade payables	-	3,777.31	-	-	3,777.31
Other financial liabilities	-	472.87	-	-	472.87
	-	**4,669.90**	**935.51**	**311.36**	**5,916.77**
As at March 31, 2025					
Lease liabilities	-	352.16	984.46	368.26	1,704.88
Trade payables	-	3,567.90	-	-	3,567.90
Other financial liabilities	-	217.27	8.20	-	225.47
	-	**4,137.33**	**992.66**	**368.26**	**5,498.25**

40 Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. As at March 31, 2026 and March 31, 2025, the Group's funding needs are met through the issuance of equity shares and own funds and the Group does not have debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

41 Business combinations

Acquisitions during the year ended March 31, 2026

A. Acquisition of Subsidiary - BTM Ventures Private Limited

On January 06, 2026, the Group acquired 95% of the voting shares of BTM Ventures Private Limited, a company based in India, which is into business of personal and beauty care products. The Group acquired this business to expand its presence in beauty and personal care market and develop adjacent product categories., 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	3.83
Intangible assets (Brand)	793.68
Cash and cash equivalents	56.23
Trade receivables	11.07
Inventories	57.38
Others Non Current assets	72.85
Other Current assets	18.03

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

	Purchase price allocated
Total assets (a)	**1,013.07**
Trade payables	84.98
Provisions	0.80
Other liabilities	38.70
Total liabilities (b)	**124.48**
Net assets acquired (a-b)	**888.59**

(ii) Goodwill arising on acquisition:

Particulars	Amount
Purchase consideration (including non-controlling interest liability) (Refer note 17)	2,085.49
Less: Carrying amount of net assets acquired	888.59
Goodwill arising on acquisition	**1,196.90**

(iii) Nature of consideration and terms of payment:

The fair value of purchase consideration is ₹ 2085.49 million. The details are as follows:

Nature of consideration and terms of payment	Amount
Cash consideration	1,979.62
Financial liability (refer note 17 and note(i) below)	105.87
	2,085.49

(i) During the year ended March 31, 2026, the Holding Company has acquired 95% shareholding in BTM Ventures Private Limited for a purchase consideration of ₹ 1,979.62 million. Pursuant to the Shareholders Agreement between the Company and existing shareholders of BTM Ventures 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 obligation to acquire remaining stake in BTM Ventures Private Limited has been recorded as financial liability amounting to ₹ 105.87 as on the date of acquisition. This financial liability has been remeasured subsequently as at March 31, 2026, basis a fair valuation report, in accordance with Ind AS 109.

42 Statutory Group Information

As at March 31, 2026

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2026	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited	India	-	98.71%	13,961.00	95.32%	1,908.27	96.12%	36.88	95.34%	1,945.15
Subsidiaries										
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	2.54%	358.63	0.12 %	2.30	0.21%	0.08	0.12%	2.38
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	1.68%	237.36	2.03 %	40.60	(0.29)%	(0.11)	1.98 %	40.49
BTM Ventures Private Limited	India	Subsidiary	1.02%	143.96	2.45 %	49.03	0.08%	0.03	2.40 %	49.06
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	3.88%	1.49	0.07 %	1.49
Honasa Consumer General Trading L.L.C.	UAE	Subsidiary	(0.02)%	(2.80)	0.06 %	1.14	-	-	0.06%	1.14
Joint Venture (as per equity method)										
Couch Commerce Private Limited	India	Joint Venture	0.18 %	25.00	(0.08)%	(1.41)	-	-	(0.08)%	(1.41)
Adjustment arising on consolidation			(4.10)%	(579.63)	0.10 %	1.97	-	-	0.10 %	1.97
TOTAL			100.00%	14,143.52	100.00%	2,001.90	100.00%	38.37	100.00%	2,040.27

As at March 31, 2025

Name of the Entity in the Group	Country of Incorporation	Relationship as at March 31, 2025	Net Asset (total Assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
			% of consolidated net assets	Amount	% of consolidated profit and loss	Amount	% of consolidated other comprehensive income	Amount	% of total comprehensive income	Amount
Parent										
Honasa Consumer Limited	India	-	99.45%	11,733.69	94.89%	689.70	108.57%	(0.20)	94.88%	689.50
Subsidiaries										
Bhabani Blunt Hairdressing Private Limited	India	Subsidiary	3.02%	355.90	2.77%	20.14	108.10%	(0.20)	2.74%	19.94
B:Blunt Spratt Hairdressing Private Limited	India	Subsidiary	1.61%	189.77	3.80 %	27.63	(166.08)%	0.31	3.84 %	27.94
PT Honasa Consumer Indonesia	Indonesia	Subsidiary	-	-	-	-	-	-	-	-
Honasa Consumer General Trading L.L.C.	UAE	Subsidiary	(0.05)%	(5.43)	0.05%	0.38	-	-	0.05%	0.38
Adjustment arising on consolidation			(4.03)%	(475.63)	(1.52)%	(10.98)	49.41%	(0.09)	(1.52)%	(11.07)
TOTAL			**100.00%**	**11,798.30**	**100.00%**	**726.87**	**100.00%**	**(0.18)**	**100.00%**	**726.69**

43 Other statutory information

(i) No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended March 31, 2026 and March 31, 2025.

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

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

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

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

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

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

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

(viii) The Group is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) The Group has not been declared any wilful defaulter by any bank or financial institution or other lender.

44 During the year ended March 31, 2025, the Board of Directors of the Holding Company and its wholly owned subsidiaries Fusion Cosmeceutics Private Limited ('Fusion' or 'Transferor Company-1') and Just4Kids Services Private Limited ('J4k' or 'Transferor Company-2'), had approved the Scheme of Amalgamation between the Company, Transferor Company-1, Transferor Company-2 and their respective shareholders and creditors (hereinafter referred to as "the Scheme") in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 to transfer the business of Transferor Company-1 and Transfer Company-2 to the Company.

The Holding Company has received the order granting approval of merger by NCLT Chandigarh on May 08, 2025 and by NCLT Delhi on June 03, 2025.

The aforesaid merger has no effect on the consolidated financial statements.

45 As per the amended Rule 3 and 11(g) of the Companies (Accounts) Rules, 2014 (the "Accounts Rules"), Companies are required to maintain daily back-up of the books of account and other relevant books and papers which are maintained in electronic mode on servers physically located in India and accounting software used for maintaining its books of account should have a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In addition, Companies are required to preserve audit trail as per the statutory requirements of record retention.

The Holding Company has used certain accounting software for maintaining its books of account which have a feature of maintaining proper daily backup on servers physically located in India, except in case of three applications for price records and distribution management, the backup of the books of account and other books and papers in electronic mode has not been maintained on servers physically located in India on daily basis.

Further, the Holding Company has used certain accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the aforesaid software, except (i) in respect of one accounting software applications pertaining to price master records, audit trail was not enabled throughout the year for all relevant transactions recorded in the application; (ii) in respect of three accounting software applications for maintaining its distribution management system records, price master records and point of sale records, audit trail feature is not enabled for certain changes made, if any, using privileged/administrative access rights. Further, audit trail feature has not been tampered with in respect of the accounting software applications where audit trail has been enabled/Service Organisation Controls report is available and the audit trail of prior year(s) has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

The management is in the process of taking steps to ensure that the books of account are maintained as required under the applicable statute.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2026

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

46 On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes"). The Labour Codes consolidate various existing labour laws and introduce changes, including a harmonised definition of wages, which impacts the computation of employee benefit obligations such as gratuity and compensated absences. Based on the information currently available and the guidance issued by the Institute of Chartered Accountants of India, the Group has evaluated the impact of these changes and recognised an incremental cost of ₹ 47.97 million as past service cost as an exceptional item for the year ended March 31, 2026. The Group continues to monitor developments relating to the Labour Codes and will assess the impact, if any, on the measurement of employee benefit liabilities in future periods.

47 During the year ended March 31, 2024, the Holding Company had completed its Initial Public Offer (IPO) of 52,515,692 equity shares of face value of ₹ 10 each at an issue price of ₹ 324 per share (including a share premium of ₹ 314 per share). A discount of ₹ 30 per share was offered to eligible employees bidding in the employee's reservation portion of 22,678 equity shares. The issue comprised of a fresh issue of 11,267,530 equity shares aggregating to ₹ 3,650 Million and offer for sale of 41,248,162 equity shares by selling shareholders aggregating to ₹ 13,364.40 Million. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 07, 2023.

The utilisation of the IPO proceeds from fresh issue of ₹ 3,504.92 million (net of IPO expenses of ₹ 145.08 million) is summarised below:

Particulars	Amount to be utilised as per Prospectus (₹ million)	Utilisation upto March 31, 2026 (₹ million)	Unutilised upto March 31, 2026 (₹ million)
Advertisement expenses towards enhancing the awareness and visibility of brands	1,820.00	1,773.38	46.62
Capital expenditure to be incurred by the Company for setting up new EBOs	206.00	87.79	118.21
Investment in Subsidiary, BBlunt for setting up new salons	260.00	72.57	187.43
General corporate purposes and unidentified inorganic acquisition	1,218.92	1,218.92	-
Total	**3,504.92**	**3,152.66**	**352.26**

48 Subsequent events

No material subsequent events have occurred that require adjustment to or disclosure in the consolidated financial statements.

49 Absolute amounts less than ₹ 5,000 are appearing in the Consolidated Financial Statements as '0.00' due to presentation in millions.

As per our report of even date attached

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

per Nikhil Aggarwal
Partner
Membership no.: 504274

Place: Gurugram
Date: May 21, 2026

For and on behalf of the Board of Directors of
Honasa Consumer Limited

Varun Alagh
Whole Time Director &
Chief Executive Officer
DIN: 07597289

Ghazal Alagh
Whole Time Director
DIN: 07608292

Raman Preet Sohi
Chief Financial Officer

Gaurav Pandit
Company Secretary
Membership no.: F13667

Place: Gurugram
Date: May 21, 2026

HONASA
Beauty With A Purpose

Honasa Consumer Limited

CIN: L74999DL2016PLC306016
Registered Office: Unit No. - 404, 4th Floor, City Centre, Plot No. 5, Sector-12, Dwarka, New Delhi – 110 075
Corporate Office: 10th & 11th Floor, Capital Cyberscape, Sector-59, Gurugram, Haryana – 122 102
E-mail: compliance@honasa.in; Telephone No.: 011 – 44123544; Website: www.honasa.in

Notice of Annual General Meeting

Notice is hereby given that **10th Annual General Meeting ("AGM")** of the members of Honasa Consumer Limited ("Company") will be held on **Monday, September 28, 2026 at 4:00 pm (IST)** through video conference/other audio-visual means to transact the following businesses:

ORDINARY BUSINESS

1. **Adoption of Audited Standalone Financial Statements**

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

   "**Resolved That** the audited standalone financial statements of the Company for the financial year ended March 31, 2026 together with the reports of board of directors and auditor's thereon, be and are hereby received, considered and adopted."

2. **Adoption of Audited Consolidated Financial Statements**

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

   "**Resolved That** the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 together with the report of the auditor's thereon, be and are hereby received, considered and adopted."

3. **Declaration of Final dividend for the financial year 2025-26**

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

   "**Resolved that** the final dividend of ₹3/- (Rupees Three only) per equity share (i.e. 30% on the face value of ₹ 10/- each), as recommended by the Board of Directors, for the financial year 2025-26, be and is hereby declared and such dividend be paid to those Members whose names appear in the register of members/beneficial owners as on Friday, August 28, 2026."

4. **Appointment of Director in place of Mr. Varun Alagh, who retires by rotation and being eligible, offers himself for re-appointment**

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

   "**Resolved That** pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Varun Alagh (DIN: 07597289), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

5. **Re-appointment of Mr. Subramaniam Somasundaram as an Independent Director for a second term of 5 (five) consecutive years**

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

   "**Resolved That** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the rules framed thereunder including the Companies (Appointment and Qualification of Directors) Rules, 2014, regulation 17 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant circulars issued by BSE Limited and National Stock Exchange of India Limited, nomination and remuneration policy of the Company and based on recommendation of the Nomination and Remuneration Committee and the board of directors of the Company ("Board"), Mr. Subramaniam Somasundaram (DIN: 01494407), who holds the office as an Independent Director of the Company and who meets the criteria for independence as prescribed under the Act and SEBI Listing Regulations and being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years effective from February 11, 2027 to February 10, 2032 (both days inclusive).

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

6. **Approval for fees and compensation payable by way of Commission to Non-Executive Directors including Independent Directors**

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

   "**Resolved That** pursuant to the provisions of section 149, 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder, regulation 17 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification or re-enactment thereof, for the time being in force) and the articles of association of the Company, approval of the members be and is hereby accorded for payment of remuneration/compensation by way of profits related to commission or otherwise as permissible to the Non-Executive Directors including Independent Directors of the Company (i.e. Directors other than Whole time Directors) of such sum or sums and in such proportion/manner and upto such extent for a period of 5 years starting from the financial year 2027-28 as the Board of Directors shall determine from time to time based on the recommendation of Nomination and Remuneration Committee within the overall maximum limit of 1% (one percent) per annum of the Net Profits of the Company for the relevant financial year computed in the manner as laid down in Section 198 (excluding sitting fees payable) and other applicable provisions of the Act and Rules made thereunder.

   Resolved Further That in addition to the aforesaid remuneration, Non-Executive Directors (including Independent Directors) shall also be entitled to sitting fees, as may be decided by the Board from time to time and reimbursement of expenses for attending meetings of the Board and its Committees, as permissible under the Act and/or the SEBI Listing Regulations.

   Resolved Further That the Board be and is hereby authorised to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

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

Gaurav Pandit
Company Secretary &
Compliance Officer
Membership No. F13667

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

August 13, 2026
Gurugram

NOTES

Virtual Meeting

1. In continuation of the framework prescribed by the Ministry of Corporate Affairs ("MCA") vide general circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard latest being 03/2025 dated September 22, 2025, (hereinafter collectively referred to as "Circulars"), companies are permitted to hold the Annual General Meeting ("AGM") through Video Conference ("VC")/Other Audio Visual Means ("OAVM"), without physical presence of members at a common venue. Hence, the 10^{th} AGM of the Company is being conducted through VC/OAVM.

2. The 10^{th} AGM shall be deemed to be held at the registered office of the Company i.e., Unit No – 404, 4^{th} Floor, City Centre, Plot No. 05, Sector-12, Dwarka, New Delhi – 110 075 as prescribed under the Circulars.

3. Since, 10^{th} AGM is being held through VC/OAVM pursuant to the Circulars, requirement of physical attendance of members have been dispensed with. Accordingly, the facility for appointment of proxies by members is not available for 10^{th} AGM, hence, proxy form and attendance slip including route map has not been annexed with the notice of 10^{th} AGM ("Notice").

4. Members attending 10^{th} AGM through VC/OAVM including authorised representative(s)/attorney holder(s) of corporate members, institutional investors etc. shall be counted for the purpose of reckoning the quorum under the provisions of section 103 of the Companies Act, 2013 ("Act").

5. Institutional investors who are members of the Company are encouraged to attend and vote at the 10^{th} AGM of the Company.

6. **Authorised Representative**

   Institutional/Corporate members (i.e., other than individuals/HUF/NRI, etc.) intending to authorise their representatives to attend 10^{th} AGM through VC/OAVM on their behalf and to vote through electronic mode ("E-voting"), are requested to send a duly certified scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorisation letter, pursuant to section 113 of the Act, to the Scrutiniser by e-mail through its registered e-mail address at shekhar@arorashekhar.com with copies marked to the Company at compliance@honasa.in and to KFin Technologies Limited, Registrar to an Issue and Share Transfer agent ("RTA") at einward.ris@kfintech.com.

7. **Explanatory Statement**

   In accordance with Section 102 of the Act, read with Regulation 36 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Explanatory Statement forms part of this Notice.

   While an Explanatory Statement is not required under the Act in respect of the Ordinary Business set out at Item Nos. 1 to 4 of this Notice, the Company has provided the same voluntarily as a measure of good corporate governance and in the interest of transparency and convenience of the Members.

8. **Electronic Dispatch of Notice and Annual Report**

   In compliance with the Circulars, the Notice along with Annual Report for the financial year 2025-26 are being sent to all members whose e-mail addresses are registered/available with the Company/depository participants ("DPs") and whose names appear in the register of members of the Company and/or in the register of beneficial owners maintained by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (collectively referred as "Depositories") as on Friday, August 28, 2026.

   In terms of regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path and QR code, where complete details of the Notice and Annual Report of the Company are available, is being physically sent to those member(s) who have not registered their email addresses with the DP(s), the Company or RTA of the Company. In case any member is desirous of obtaining physical copy of Notice and Annual Report for the financial year 2025-26, he/she may send a request to the Company by writing at compliance@honasa.in mentioning their DP ID and Client ID.

   Members may please note that Notice and Annual Report for the financial year 2025-26 will be available on the website of the Company at https://honasa.in/pages/investor and will also be available on the website of stock exchanges i.e. BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com. Notice and Annual Report will also be available on the website of CDSL at www.evotingindia.com.

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

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

10. **Nomination**

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

11. **Online Dispute Resolution (ODR) Mechanism**

    a. SEBI vide Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023, as updated from time to time, has established a common Online Dispute Resolution Portal ("ODR Portal") for the resolution of disputes arising in the Indian Securities Market.

    b. Pursuant to above circular, a member shall first take up his/her grievance with the Company by lodging a complaint directly with the Company/RTA and if the grievance is not redressed satisfactorily, the member may escalate the same through the existing SCORES Portal. Post exhausting all available options for resolution of the grievance, if the member is still not satisfied with the outcome, dispute resolution can be initiated through the ODR Portal at https://smartodr.in/login.

12. **Dividend related information**

    a. The Board of Directors at its meeting held on May 21, 2026, has recommended a final dividend of ₹3.00/- per equity share of face value of ₹10/- each for the financial year 2025-26, subject to the approval of Members of the Company. The final dividend, once approved by the Members at the 10^{th} AGM will be paid within stipulated timeline subject to deduction of tax at source to those Members whose names appear in the Register of Members/beneficial owners as on **Friday, August 28, 2026 (Record Date)**.

    b. The dividend shall be processed only in electronic mode and payment through dividend warrants or cheques has been discontinued with effect from November 18, 2025.

       To ensure timely credit of dividend, members are requested to keep their latest bank account details updated with their respective DPs.

    c. In accordance with the provisions of the Income-tax Act, 2025 ("IT Act"), dividend declared and paid by the Company is taxable in hands of shareholders for Tax Year 2026-27 (financial year 2026-27). Accordingly, the Company, in compliance with the provisions of the IT Act, would be required to deduct tax at source ("TDS") at the prescribed rates on the dividend payable to its Members. TDS rate would vary depending on the residential status of the Member and the documents submitted by them and accepted by the Company.

    d. The relevant procedure to be adopted by members and documents to be submitted for availing exemption/the applicable tax rate, exemption forms and other documents, are available on the website of the Company at https://honasa.in/pages/investor under the head of 'Dividend'. The documents for availing exemption/applicable tax rate needs to be submitted by following the prescribed procedure latest by Thursday, September 10, 2026.

    e. It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.

Instruction for remote E-voting

13. In compliance with the provisions of section 108 of the Act and rule 20 of the Companies (Management and Administration) Rules, 2014 and regulation 44 of the SEBI Listing Regulations and Circulars, the Company is providing facility of electronic voting ("E-voting") to its members in respect of the businesses to be transacted at the 10^{th} AGM. For this purpose, the Company has availed the services of CDSL for facilitating E-voting, as an authorised agency. The facility of casting votes by a member using E-voting system during the remote E-voting period as well as E-voting during the 10^{th} AGM will be provided by CDSL. The procedure for participating in the AGM through VC/OAVM is explained hereinafter.

14. In case of joint holders attending 10^{th} AGM, the member whose name appears as first holder in the order of names as per the beneficial owners/register of members as maintained by the Depositories/Company will be entitled to vote.

15. The members can opt for only one mode of voting i.e. remote E-voting (before 10^{th} AGM during the period as provided hereinafter) or E-voting during the 10^{th} AGM. The members who have cast their vote by remote E-voting may also attend the 10^{th} AGM but will not be able to vote again during 10^{th} AGM.

16. The remote E-voting period commences on Thursday, September 24, 2026 at 9:00 am (IST) and ends on Sunday, September 27, 2026 at 5:00 pm (IST).

17. During this period, members holding equity shares of the Company, as on the cut-off date i.e., Monday, September 21, 2026 ("Cut-off date") may cast their vote through remote E-voting. The remote E-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

E-voting Starts on	E-voting Ends on
Thursday, September 24, 2026 at 9:00 am (IST)	Sunday, September 27, 2026 at 5:00 pm (IST)

18. As per the SEBI Master Circular bearing reference no. SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, all "individual members holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts/websites of Depositories/DPs.

19. Instructions for Members for E-Voting and Joining Virtual Meetings:

(i) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(ii) Pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote E-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional Members/retail Members is at a negligible level.

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

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

Login method for Individual Members holding securities in demat mode:

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

Type of members	Login Method
Individual Members holding securities in Demat mode with **NSDL**	**Method 1: Through NSDL IDeAS facility** **Members who have registered for NSDL IDeAS facility:** 1. Visit URL: https://eservices.nsdl.com and click on 'Beneficial Owner' icon under 'Login'. 2. Enter user ID and password. Post successful authentication, click on 'Access to E-voting'. 3. Click on the E-voting link displayed alongside the Company's Name, and the member will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining a virtual meeting & voting during the meeting. **Members who have not registered for NSDL IDeAS facility:** 1. To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal' or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp " 2. Proceed with updating the required fields. 3. Post registration, user will be provided with Login ID and password. 4. After successful login, click on 'Access to E-voting'. 5. Click on E-voting link displayed alongside the Company's Name' and the member will be re-directed to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting. **Method 2: By directly visiting E-voting website of NSDL:** 1. Visit URL: https://www.evoting.nsdl.com/. 2. Click on the 'Login' tab available under 'Member/Member' section. 3. Enter User ID (i.e. sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, members will be re-directed to NSDL website wherein they can see "Access to E-voting". Click on Access to "E-voting". 5. Post that, click on the E-voting link displayed alongside Company's Name and member will be redirected to the CDSL E-voting website for casting your vote during the remote E-voting period or joining virtual meeting & voting during the meeting. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their **Depository Participants (DP)**	Individual members can also login using the login credentials of demat account through their depository participant registered with NSDL/CDSL for E-voting facility. 1. Login to DP website. 2. After Successful login, members shall navigate through 'E-voting' tab under Stocks option. 3. Click on E-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein members can see E-voting menu. 4. After successful authentication, click on 'E-voting' link displayed alongside Company's Name' and members will be redirected to the CDSL E-voting website for casting their vote during the remote E-voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

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

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

a) The procedure for attending meeting & E-voting on the day of the AGM is same as the instructions mentioned above for E-voting.
b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for E-voting.
c) Members who have voted through Remote E-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
d) Members are encouraged to join the Meeting through Laptops/iPads for a better experience.
e) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
g) Facility for joining the 10th AGM through VC/OAVM shall open 30 minutes before the time scheduled for the 10th AGM and will be available to the members on first come first serve basis and shall be kept open till the expiry of 15 minutes after the scheduled time.
h) Members holding more than 2% equity shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel's ("KMPs"), Chairman of audit committee, nomination & remuneration committee, stakeholders relationship committee and auditors etc. may be allowed to the meeting without restrictions of first-come-first-served basis.

i) Instructions for Members to speak during the 10th AGM

i. Members who would like to express their views or ask questions during the 10th AGM may register themselves as a speaker by sending their request from their registered E-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at compliance@honasa.in from Friday, September 18, 2026 (9:00 am IST) to Wednesday, September 23, 2026 (till 5:00 pm IST) or may also get registered by filling the form available on at the link
ii. Members will get confirmation on firstcome-first-served basis depending upon the provision made by the company.
iii. Those members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the 10th AGM.
iv. Members will receive 'speaking serial number' once they mark attendance for the 10th AGM.
v. Member are requested to remember their allotted 'speaking serial number'.
vi. Members are requested to speak only when moderator will announce their name and 'speaker serial number'.
vii. Thereafter, members may start conversation with panelist by switching on video and audio mode of their device.

viii. The Company reserves the right to restrict the number of speakers as well as the speaking time depending on the availability of time during 10th AGM.

j) If any Votes are cast by the Members through the E-voting available during 10th AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members may be considered invalid as the facility of E-voting during the meeting is available only to the Members attending 10th AGM.

k) If a member has any queries or issues regarding attending AGM & E-voting from the CDSL E-voting System, member may write to Mr. Rakesh Dalvi, AVP, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

21. General guidelines for Members

a) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-off Date. The person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.

b) Only those persons whose name is recorded in the register of members or register of beneficial owners maintained by the Depositories as on the Cut-off Date, shall be entitled to avail the facility of remote E-voting as well as E-voting during 10th AGM.

c) Any person, who acquires shares of the Company and becomes a Member after dispatch of the Notice and holding shares as on the Cut-off Date, may obtain the user ID and password by sending a request at helpdesk.evoting@cdslindia.com.

d) Members who would like to express their views/have questions may send their questions in advance from their registered e-mail address along with their name, DP ID and Client ID, PAN and mobile number at compliance@honasa.in. The same will be replied by the Company suitably.

22. Inspection of Documents

a) All documents referred to in the Notice, will be available for inspection electronically, without any fee, by the members from the date of circulation of the Notice up to the date of 10th AGM i.e., Monday, September 28, 2026.

b) The Register of Directors & Key Managerial Personnel and their shareholding, maintained under section 170 of the Act; Register of Contracts or Arrangements in which Directors are interested, maintained under section 189 of the Act; and certificate from the Secretarial Auditor of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021, will be available for electronic inspection by the members during the 10th AGM.

c) Members seeking to inspect such documents may send a request on the e-mail address at compliance@honasa.in.

23. Voting Results

a) Mr. Shashi Shekhar, Practicing Company Secretary (FCS No. 12475, COP No. 14145), has been appointed as "Scrutiniser" to scrutinise remote E-voting process and E-voting during the 10th AGM, in a fair and transparent manner, who has communicated willingness to be appointed for the said purpose.

b) The Scrutiniser, immediately after the conclusion of voting at the 10th AGM, will first download the votes cast at the 10th AGM and thereafter unblock the votes cast through remote E-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall submit a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting.

c) The results of 10th AGM shall be declared by the Chairman or any person duly authorised by him on this behalf, after 10th AGM within the prescribed statutory timelines. The resolutions shall be deemed to be passed on the 10th AGM date i.e. Monday, September 28, 2026, subject to receipt of the requisite number of votes in favour of the resolutions.

d) The results declared along with the scrutiniser's report shall be placed on the Company's website at https://honasa.in/pages/investor and on the evoting website of CDSL besides submitted with BSE and NSE. The results shall also be displayed at the Registered Office and Corporate Office of the Company.

EXPLANATORY STATEMENT

The following statement in terms of section 102 of the Companies Act, 2013 sets out all material facts relating to the business proposed in the Notice convening 10th AGM of the Company.

Item No. 1 and 2

Pursuant to the applicable provisions of the Companies Act, 2013 ("Act"), the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2026, together with the Board's Report and Statutory Auditors' Reports thereon, are required to be placed before the members at the Annual General Meeting ("AGM") for their consideration and adoption.

The board of directors of the Company ("Board"), at its meeting held on May 21, 2026, on the recommendation of the Audit Committee, approved the audited standalone and consolidated financial statements for the financial year ended March 31, 2026. The Annual Report for the financial year 2025-26, containing the aforesaid financial statements and reports, is being circulated to the members and is also available on the Company's website at https://honasa.in/pages/investor.

The financial statements have been prepared in accordance with the applicable provisions of the Act, Ind AS and other applicable accounting principles and present a true and fair view of the financial position and performance of the Company. The Statutory Auditors have issued unmodified audit reports on the standalone and consolidated financial statements.

Members seeking any clarification on the financial statements may send their queries to Company at CFO@honasa.in on or before Wednesday, September 23, 2026, to enable the management to respond at the AGM.

The Board recommends the Ordinary Resolutions set out at Item Nos. 1 and 2 for approval by the members.

None of the directors and the key managerial personnel and/or their relatives are in any way, financially or otherwise, interested or concerned in these resolutions.

Item No. 3

The Board of Directors of the Company ("Board"), at its meeting held on May 21, 2026, has recommended a final dividend of ₹ 3/- per equity share (i.e. 30% on the face value of ₹ 10/-) for the financial year ended March 31, 2026, subject to approval of the Members at the ensuing Annual General Meeting ("AGM").

The dividend, if approved by the Members, will be paid to the Members whose names appear in the Register of Members or the Register of Beneficial Owners, as applicable, as on the Record Date, i.e. Friday, August 28, 2026, in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board recommends the Ordinary Resolution set out at Item No. 3 for approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholding, if any, in the Company.

Item No. 4

In terms of the provisions of Section 152 of the Companies Act, 2013 ("Act"), Mr. Varun Alagh, Whole-time Director of the Company, retires by rotation at the 10th Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment.

Details of Mr. Varun Alagh, including his qualifications, experience, other directorships and other relevant particulars, as required under the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 ("SS-2"), are provided in the Annexure to this Notice.

The Board, based on the performance evaluation and contribution of Mr. Varun Alagh, considers his re-appointment to be in the interest of the Company and recommends the Ordinary Resolution set out at Item No. 4 for approval by the Members.

Except Mr. Varun Alagh and Ms. Ghazal Alagh, spouse of Mr. Varun Alagh, none of the other Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 5

The members of the Company, at their 6th Annual General Meeting held on September 30, 2022, had appointed Mr. Subramaniam Somasundaram as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from February 11, 2022 and his current term shall expire on February 10, 2027.

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

Board & Committee meetings attendance

Mr. Somasundaram is Chairman of Audit Committee and Risk Management Committee and member of Stakeholders' Relationship Committee of the Company. The details of his attendance at the meetings of the Board and its committees are as under:

Particulars	FY 2024-25	FY 2025-26	FY 2026-27*
Board Meeting	5 of 5	7 of 7	3 of 3
Audit Committee Meeting	5 of 5	6 of 6	2 of 2
Risk Management Committee Meeting	2 of 2	2 of 2	-
Stakeholders' Relationship Committee Meeting	1 of 1	1 of 1	-

** Till date of AGM Notice*

Brief Profile of Mr. Subramaniam Somasundaram

Mr. Somasundaram holds a Bachelor's degree of Commerce from University of Madras and is a Chartered Accountant and Cost Accountant.

He was Chief Financial Officer (CFO) for Titan Company Limited for over a decade till his superannuation in June 2021. Currently he is an Independent Director on the Boards of listed and unlisted entities and chairs the Audit Committee of various companies.

Before joining Titan, he was in the Telecom industry for over 11 years including stints as CFO for BPL Mobile Group and Chief Executive Officer for BPL Mobile operations in Mumbai. He started his career with ITC Limited in India and then had a stint in Doha, Qatar with Mannai Corporation.

The Nomination and Remuneration Committee ("NRC") at its meeting held on May 19, 2026, based on the performance evaluation of Mr. Somasundaram as summarised below, has recommended his re-appointment as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from February 11, 2027, not liable to retire by rotation. While recommending Mr. Subramaniam Somasundaram's re-appointment, the NRC considered his extensive experience in finance, accounting, governance and corporate leadership, including his over a decade-long tenure as Chief Financial Officer of Titan Company Limited and his experience as an Independent Director and Chairman of Audit Committees of various listed entities, provide him with strong expertise in financial oversight, risk management, audit and corporate governance. The NRC is of the view that his continued association with the Company would provide valuable financial and governance oversight and contribute to informed decision-making of the Board, particularly as the Company continues to scale and strengthen its governance framework.

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

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

Performance Evaluation Summary

Mr. Somasundaram has demonstrated strong commitment and independence in discharging his responsibilities as an Independent Director. His extensive experience and expertise have enabled him to provide valuable perspectives on strategic, financial and governance matters. His active participation in Board and Committee deliberations and constructive inputs have contributed meaningfully to the Company. Considering his continued performance, expertise and contribution, the Board is of the view that his continued association would be in the best interests of the Company.

Proposal for Re-appointment

The Board, at its meeting held on May 21, 2026, based on the recommendation of the NRC and after considering his rich knowledge, background, experience and significant contribution made during his first term, recommended the re-appointment of Mr. Somasundaram as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years from February 11, 2027 to February 10, 2032 (both days inclusive).

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

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

Mr. Somasundaram shall be entitled to receive remuneration by way of commission as may be decided by the Board based on the recommendation of the NRC, in accordance with the resolution passed by the members from time to time for making payment to Non-Executive Directors.

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

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

The details as required under the SEBI Listing Regulations and SS-2 and all other applicable provisions are provided in Annexure.

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

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

Item No. 6

Pursuant to Section 197 of the Companies Act, 2013 ("Act") read with the applicable rules made thereunder, remuneration payable to Non-Executive Directors including Independent Directors, by way of commission may be paid within the limits prescribed under the Act, subject to the requisite approval of the Members. Further, Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") requires the fees or compensation payable to Non-Executive Directors including Independent Directors, to be recommended by the Board and approved by the Members.

The Members of the Company, at the Extraordinary General Meeting held on July 20, 2022, had approved payment of remuneration by way of commission to the Non-Executive Directors of the Company for a period of five years commencing from April 1, 2022. The aforesaid approval is valid up to March 31, 2027.

In view of the expiry of the existing approval, the Nomination and Remuneration Committee ("NRC") and the Board of Directors ("Board"), at their respective meetings held on May 19, 2026 and May 21, 2026, considered the proposal for payment of commission to the Non-Executive Directors for a further period of five years.

While considering the proposal, the NRC and the Board took into account, *inter-alia*, the evolution in the role of Non-Executive Directors particularly Independent Directors with the increasing scale and complexity of the Company's business and the changing regulatory and business environment. Their responsibilities extend beyond participation in Board and Committee meetings to include strategic oversight, risk management, governance, financial reporting, regulatory compliance, sustainability, technology and other matters critical to the Company's long-term interests. As a consumer-focused company operating across a growing portfolio of brands and categories, Honasa Consumer Limited also operates in a dynamic environment characterised by evolving consumer preferences, technological developments, competitive intensity and heightened stakeholder expectations.

The Non-Executive Directors bring diverse experience, expertise and independent judgement to the Board and its Committees and contribute to informed decision-making, effective oversight and long-term value creation. Accordingly, the proposed remuneration framework is intended to recognise not only their attendance, but also the expertise, judgement, responsibilities, time commitment and overall contribution required in discharging their fiduciary and governance responsibilities.

Therefore, approval of the Members is sought to authorise payment of commission to the Non-Executive Directors including Independent Directors, for each financial year commencing from April 1, 2027, not exceeding 1% (one percent) per annum of the net profits of the Company, calculated in accordance with Section 198 of the Act.

The commission payable to each Non-Executive Director for a particular financial year will be determined by the NRC and the Board, taking into consideration the financial performance of the Company and the contribution and performance of the respective Director during the relevant financial year. In this regard, the NRC and the Board will consider, *inter-alia*, the Director's roles and responsibilities, experience and expertise, attendance and participation at Board and Committee meetings, Chairmanship or membership of Board Committees, time devoted to the affairs of the Company, involvement in strategic and business matters and contribution towards governance, risk oversight and the long-term growth and sustainability of the Company. The commission payable shall be within the limits approved by the Members and prescribed under the Act.

The commission shall be in addition to the sitting fees payable for attending meetings of the Board and its Committees and reimbursement of expenses, in accordance with the applicable provisions of the Act and the SEBI Listing Regulations.

Commission and sitting fee paid to Non-Executive Directors during the preceding three financial years is set out below:

(₹ in Million)

Name of Director	FY 2023-24			FY 2024-25			FY 2025-26		
	Sitting Fees	Commission	Total	Sitting Fees	Commission	Total	Sitting Fees	Commission	Total
Mr. Subramaniam Somasundaram – Independent Director	1.60	1.40	3.00	1.30	1.70	3.00	1.60	1.40	3.00
Mr. Vivek Gambhir– Independent Director	2.30	-	2.30	1.20	1.00	2.20	1.40	0.8	2.20
Ms. Namita Gupta– Independent Director	1.60	0.60	2.20	0.80	1.40	2.20	1.00	1.20	2.20

Note: Mr. Ishaan Mittal, Non-Executive Nominee Director has not drawn any remuneration from the Company during the preceding three financial years.

The above disclosure provides the Members with an overview of the remuneration paid to the Non-Executive Directors during the last three financial years.

The Board recommends the resolution set out at Item No. 6 for approval of the Members as an Ordinary Resolution.

All Non-Executive Directors including Independent Directors, are concerned or interested in the resolution to the extent of the commission that may be payable to them. Their respective relatives may also be deemed to be concerned or interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except as stated above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Annexure

Additional Information of Directors seeking appointment/re-appointment

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

Mr. Varun Alagh

Director Identification Number (DIN)
07597289

Age
42 years

Date of first appointment on the Board
September 16, 2016

Qualification

(i) Bachelor's degree in Electrical Engineering from Delhi College of Engineering

(ii) Post-graduate diploma in business management from XLRI, Jamshedpur

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

Mr. Varun Alagh is the Co-founder, Chairman, CEO & Whole Time Director of the Company. Since its inception in 2016, he has been instrumental in steering the company towards becoming a leading player in the beauty and personal care industry.

Before founding Honasa, Mr. Varun Alagh accumulated over a decade of experience in the FMCG sector. He began his career at Hindustan Unilever Limited (HUL), where he held various roles, including Regional Brand Manager – South Asia. He then served as Senior Brand Manager at Diageo PLC, managing ATL, BTL, digital, and on-trade activations for Smirnoff across India. Subsequently, he worked at The Coca-Cola Company as Senior Brand Manager, playing a key role in launching Coke Zero in India.

List of Directorship of other Board

1. Bhabani Blunt Hair Dressing Private Limited
2. B:Blunt Spratt Hairdressing Private Limited
3. Honasa Consumer General Trading LLC
4. PT Honasa Consumer Indonesia
5. BTM Ventures Private Limited
6. Honasa Health Private Limited

Membership/Chairmanship of Board Committees in other companies

NIL

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

None

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

10,55,82,701

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

Spouse of Ms. Ghazal Alagh

Declaration of non-disqualification

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

Number of Board Meeting Attended during FY 2025-26

7 of 7

Terms and conditions of appointment or re-appointment

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

Remuneration drawn for FY 2025-26

₹48.40 million *(Including Fixed Pay and Variable Pay)*

Remuneration proposed to be paid

As may be decided by the Board and NRC from time to time subject to the overall limits approved by the members.

Mr. Subramaniam Somasundaram

Director Identification Number (DIN)

01494407

Age

65 years

Date of first appointment on the Board

February 11, 2022

Qualification

(i) Bachelor's degree of Commerce from University of Madras.

(ii) Chartered Accountant

(iii) Cost Accountant

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

Mr. Somasundaram was Chief Financial Officer (CFO) for Titan Company Limited for over a decade till his superannuation in June 2021. Currently he is an Independent Director on the Boards of listed and unlisted entities and chairs the Audit Committee of various companies.

Before joining Titan, he was in the Telecom industry for over 11 years including stints as CFO for BPL Mobile Group and Chief Executive Officer for BPL Mobile operations in Mumbai. He started his career with ITC Limited in India and then had a stint in Doha, Qatar with Mannai Corporation.

List of Directorship of other Board

1. Life Style International Private Limited
2. United Breweries Limited
3. Teamlease Services Limited
4. Titan Commodity Trading Limited
5. Avanti Finance Private Limited
6. API Holdings Limited
7. Razorpay Software Limited
8. Manipal Health Enterprises Limited

Membership/Chairmanship of Board Committees in other companies

Teamlease Services Limited	Audit Committee	Chairman
	Stakeholders Relationship Committee	Member
	Risk Management Committee	Member
	Nomination and Remuneration Committee	Member
United Breweries Limited	Audit Committee	Chairman
	Risk Management Committee	Member
API Holdings Limited	Audit Committee	Chairman
Manipal Health Enterprises Limited	Nomination and Remuneration Committee	Chairman
	Audit Committee	Member
Razorpay Software Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member

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

None

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

Nil

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

None

Declaration of non-disqualification

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

Number of Board Meeting Attended during FY 2025-26

7 of 7

Terms and conditions of appointment or re-appointment

Refer explanatory statement of item no. 5

Remuneration drawn for FY 2025-26

₹3.00 million *(including Sitting Fees and Commission)*

Remuneration proposed to be paid

Refer explanatory statement of item no. 5

10 (ten) Year Financial Highlights (Consolidated)

(₹ in Millions)

Particular	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Revenue from Operations	23,919.42	20,669.49	19,199.04	14,927.48	9,434.65	4,599.90	1,097.84	168.40	53.06	2.22
Other Income	835.84	787.34	497.01	225.20	208.80	121.11	43.83	10.66	0.81	0.01
Total Income	**24,755.26**	**21,456.83**	**19,696.05**	**15,152.68**	**9,643.45**	**4,721.01**	**1,141.67**	**179.06**	**53.87**	**2.23**
Expenditure other than Depreciation and Finance cost	21,607.24	19,984.15	17,828.17	16,246.81	9,320.06	17,940.23	5,414.98	212.95	57.24	5.22
Finance Cost	131.38	126.49	90.41	66.63	30.05	9.75	0.49	0.36	0.01	0.00
Depreciation and Amortisation Expenses	444.02	450.06	306.17	249.64	68.95	17.12	6.46	0.80	0.04	0.01
Total Expenditure	**22,182.64**	**20,560.70**	**18,224.75**	**16,563.08**	**9,419.06**	**17,967.10**	**5,421.93**	**214.12**	**57.29**	**5.23**
Profit Before Tax	**2,572.62**	**896.13**	**1,471.30**	**(1,410.40)**	**224.39**	**(13,246.09)**	**(4,280.26)**	**(35.06)**	**(3.42)**	**(3.00)**
Total Tax Expense	570.72	169.26	366.02	99.26	79.96	76.06	-	(0.01)	0.00	0.00
Profit for the year	2,001.90	726.87	1,105.28	(1,509.66)	144.43	(13,322.15)	(4,280.26)	(35.05)	(3.42)	(3.00)
Net Worth	14,118.52	11,798.30	10,952.71	6,059.01	7,056.24	(17,651.43)	(4,371.70)	297.53	50.01	4.62
Total Assets	20,924.94	17,901.39	16,320.44	9,765.86	10,350.12	3,026.39	1,810.12	341.95	56.50	7.06

Key Indicators

Particular	FY 2025-26	FY 2024-25	FY 2023-24	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
Earnings Per Share (Basic)	6.15	2.24	3.57	(4.66)	0.53	(98.35)	(31.63)	(2,753.42)	(341.69)	(300.25)
Earnings Per Share (Diluted)	6.12	2.23	3.55	(4.66)	0.52	(98.35)	(31.63)	(2,753.42)	(341.69)	(300.25)
Return on Equity (%)	15.45%	6.39%	13.00%	(23.03)%	(2.73)%	-	-	(20.17)%	(12.52)%	(64.94)%

Notes

1. ROE for FY 2019-20 to FY 2021-22 is not calculated due to negative net worth is respective years.

Honasa Consumer Limited

Registered office address
Unit No. 404, 4th Floor, City Centre,
Plot No. 05, Sector – 12, Dwarka, New Delhi – 110075

Corporate address
10th and 11th Floor, Capital Cyberscape,
Gurugram, Haryana – 122102

CIN: L74999DL2016PLC306016
Website: www.honasa.in
Telephone: +91 11 4412 3544

Dear Member(s),

Sub.: Annual Report and Notice of 10th Annual General Meeting for the financial year 2025-26

We thank you for your continued support and patronage as a valued member of Honasa Consumer Limited ("Company"). We are pleased to inform you that the **10th Annual General Meeting** of the Company will be held on **Monday, September 28, 2026** at **04:00 pm (IST)** through Video Conferencing/Other Audio Visual Means.

Pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to send a letter providing the web-link (including the exact path) where complete details of the Annual Report are available, to those member(s) who have not registered their email address(es) either with the listed entity or with any depository.

In this regard, we would like to inform you that, the Annual Report for the financial Year 2025-26 along with the Notice convening 10th Annual General Meeting is available on Company's website and can be accessed at https://honasa.in/cdn/shop/files/Annual_Report_2025-26.pdf.

To continue receiving all communications from the Company in a timely manner, we kindly request you to register your email address with your Depository Participant at the earliest.

For any queries or assistance, you may contact our Registrar and Transfer Agent, KFin Technologies Limited, at the following details:

KFin Technologies Limited
(Unit: **Honasa Consumer Limited**)
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Toll Free No.: 1800 309 4001 *(from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days)*
E-mail: einward.ris@kfintech.com

Scan the QR code to access the Annual Report

Thanking you,

For **Honasa Consumer Limited**

Gaurav Pandit
Company Secretary and Compliance Officer