EPL LIMITED
DIVIDEND DISTRIBUTION POLICY [1]

[1] Amended as on March 28, 2025

DIVIDEND DISTRIBUTION POLICY (“POLICY”)

PREAMBLE

This Policy is framed in terms of the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (“SEBI LODR Regulations”).

1. PURPOSE

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company (“Board”), while considering the proposal for declaration or recommendation of interim dividend or final dividend (“Dividend”) from time to time, and to strike a balance between the dual objectives of rewarding shareholders and retaining the resources to support sustained growth of the Company.

2. STATUTORY REQUIREMENTS

The declaration and distribution of dividend shall, at all times, be in accordance with the applicable provisions of the Companies Act, 2013 (including any statutory amendment and/or modification thereof, for the time being in force), read with the rules made thereunder (as amended) (“Act”), SEBI LODR Regulations and other applicable laws (as amended) read with the Articles of Association of the Company.

3. DEFINITIONS AND INTERPRETATION

In this Policy, except where the context otherwise requires, the following words and expressions shall have the following meaning.

3.1 **“Board”** or **“Board of Directors”** means the Board of Directors of the Company.

3.2 **“Company”** or **“EPL”** means the **EPL Limited**, registered in India under the Companies Act, 1956 having CIN L74950MH1982PLC028947.

3.3 **“Dividend”** includes interim dividend.

3.4 **"Shares"** or **“Equity Shares”** means the existing equity shares and equity shares as may be allotted by the Company from time to time.

3.5 **“Statutory provisions”, “Regulations”** or **“SEBI LODR Regulations”** means applicable provisions of the Companies Act, 2013 (including any statutory amendment and/or modification thereof, for the time being in force), read with the rules made thereunder (as amended), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and other applicable laws in relation to the Dividend.

3.6 The words importing the singular include the plural and *vice versa* and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Code.

4. EPL'S DIVIDEND POLICY

The Board of EPL believes in consistent and progressive dividend distribution out of the net profits of the Company to serve the interest of the shareholders for their regular income and the Company's business growth.

In determining the amount of dividend on the equity shares of the Company, the Board will consider the following guidelines and parameters, keeping in view the audited or unaudited financial results of the Company, as may be relevant to the financial year/ period and estimates of the next financial year, if and when the context so requires. Depending on the circumstances, the Board may decide to declare interim dividend or recommend dividend to be declared by the shareholders at the Annual General Meeting.

4.1 Financial parameters

The Board shall be guided by the following financial factors while recommending or declaring the Dividend:

a) Standalone and Consolidated net profit of the Company as per audited or unaudited financial results, subject to financial, external, internal and others factors.
b) Increase in standalone and consolidated net sales, net profit, cash profit and net worth as compared to previous financial year.
c) Position of debts, interest rate and debt servicing during the financial year and change expected during the next financial year.
d) Other factors would include magnitude of realized profits, operating cash flow, liquidity, capacity to service borrowings, cost of borrowings vis-à-vis cost of capital, sales volume, anticipated expenses, financial ratios etc.

4.2 Internal Factors

The Board shall also be guided by the following internal factors while considering the proposal for Dividend:

a) Cash requirements in short to medium term for capex program, organic and inorganic growth, acquisition, further investment in subsidiaries and joint ventures, surge sustainability in global business markets.
b) Profitability, earnings variability, liquidity and cash flows, financial leverage and asset characteristics such as the composition of tangible and intangible assets.
c) Achievement of targets in relation to capacity additions, inventions, new customers, quality excellence, fair inventory levels, sustainable balance between oral, non-oral care and pharma segments, as and when the management has set the targets for all or any of the aforesaid.

4.3 External factors

The Board shall be guided by the following external factors while considering the proposal for Dividend:

a) Change in statutory provisions, domestic and international taxation aspects, government policies, major accounting adjustments and audit assumptions.
b) Contingent liability and legal disputes expected to conclude in medium to long term and natural calamity(ies).
c) Material changes in technology, market position, statutory restrictions, commercial considerations/ assumptions and other aspects which are likely to affect the business or profitability of the Company, its subsidiaries, joint ventures or associates
d) Major write-off of the bad debts, distressed assets or investments, bankruptcy of major customers, stricture of public liability and similar aspects affecting the business or profit of the Company on standalone and consolidated basis.

In exceptional circumstances, the Board may deviate from certain parameters in determining the amount of dividend, if after deliberations in board meeting, it is decided so in interest of the Company

4.4 **Sources for payment of dividend**

Pursuant to the provisions of the Act and after factoring the restrictions stated in Section 123 of the Act, the dividend shall be paid out of:

a) Profits of the Company for the financial year or for the relevant period;
b) Out of the surplus in the Profit & Loss account;
c) Out of the Free Reserves.

5. UTILIZATION OF RETAINED EARNING

It is intended to use the retained earnings for business growth, capacity additions and general corporate purpose. Considering the cost of the borrowings vis-à-vis available funds (retained earnings), the quantum of reserves, the Board may decide to plough back the earnings. Utilization of the retained earnings of the Company shall *inter alia* be based on the factors like financial leverage, dependence on external debts, expansion and diversification.

6. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND

The Board intends to recommend reasonable dividend every financial year in the normal business scenario keeping in view the provisions of this Policy. However, the Board may consider to recommend lesser dividend as compared to previous financial years or may not recommend dividend for any one or more financial years keeping in view the possible effect of one or more “Internal Factors” and or “External Factors” to the business, sales, profit or sustainability of the Company, its subsidiaries or in any other circumstances where the Board decides that distribution of the profit by way of Dividend is not advisable in interest of the Company.

7. POLICY EXCLUSION

The Policy shall not be applicable in the following circumstances:

a) Dividend on preference shares; and

b) Benefit to shareholders or class of shareholders by virtue of arrangements that may be approved by National Company Law Tribunal or appropriate authority.

8. PROCEDURE IN RELATION TO THE DIVIDEND AND PAYMENT

a) The declaration and payment of Dividend shall be in accordance with the applicable provisions of the Act, SEBI LODR Regulations and provisions of other applicable laws. Interim Dividend shall be declared by the Board, and the final dividend recommended by the Board, based on annual financial results, shall be subject to shareholders' approval at the shareholders' meeting. The Dividend would be declared and paid to the shareholders at the rate fixed by the Board.

b) The Dividend as declared by the Board / approved by the shareholders, will be paid in cash to the shareholders as on record date or book closure as may be determined for the purpose.

c) Primary method for the payment of Dividend shall be, transfer or direct credit of dividend amount to respective accounts of the shareholders in the Bank details registered with the Company or made available by the Depositories. In absence of correct bank account details, the Company shall pay Dividend by way of dispatch of physical dividend instrument or demand drafts.

9. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

10. DISCLOSURE OF POLICY:

The Policy shall be disclosed on the website of the Company i.e. at www.eplglobal.com and the web link shall be provided in the Company's Annual Report.

11. CLARIFICATIONS, AMENDMENT ETC

11.1 In case of any amendment(s), clarification(s), circular(s) etc. are issued by the relevant authorities, not being consistent with the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail, and the provisions of such amendment(s), clarification(s), circular(s) etc. shall be deemed to be incorporated in this Policy.

11.2 This Policy may be modified, amended, clarified or substituted with the approval of the Board, as and when necessary.

12. CAUTIONARY STATEMENT

The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for growth of the Company and subject to other aspects as mentioned in this Policy and/or other aspects as the Board may think appropriate, at its discretion, from time to time.