Nirlon Limited
CIN: L17120MH1958PLC011045
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November 2, 2026

The Secretary,
BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai- 400 001.

Security Code: 500307

Dear Sir,

Sub: Outcome of the Board meeting held on Monday, November 2, 2026: Modification to the Dividend Distribution Policy

Ref: Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby inform you that inter alia; the Board of Directors of the Company at their meeting held on Monday, November 2, 2026 considered and approved the modification to the Dividend Distribution Policy .

The said information with details will also be made available on the website of the Company "www.nirlonltd.com".

We request you to take the same on record.

Thanking you,
Yours faithfully,
For Nirlon Ltd.,

Jasmin K. Bhavsar
Company Secretary, Vice President (Legal) & Compliance Officer
FCS4178
Encl: a/a

Nirlon Limited

Dividend Distribution Policy

1. Background and applicability

Regulation 43 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**") require the top 500 listed companies (by market capitalisation) to disclose a dividend distribution policy in the annual report and on the corporate website.

Nirlon Limited was ranked at 398 out of the top 500 companies based on the market capitalisation as on March 31, 2020 by the BSE.

The Board of Directors ("**Board**") of Nirlon Limited ("**Company**"), at its meeting held on June 30, 2020, has adopted this Dividend Distribution Policy ("**Policy**") in order to comply with the above requirement as well as to establish the parameters to be considered by the Board before declaring or recommending any dividend keeping in view the Company's long term growth objectives from internal cash accruals.

The Company currently has only one class of shares, viz. equity, for which this Policy is applicable.

2. Dividend distribution philosophy

The Company is committed to value creation for all its stakeholders. The focus will continue to be on sustainable returns, through an appropriate capital strategy for both medium and long term value creation. Accordingly, the Board would continue to adopt a progressive and dynamic dividend policy, ensuring the immediate as well as long term needs of the business.

3. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes interim dividend.

The dividend for any financial year shall normally be paid out of the Company's profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013 and the rules thereunder ("**Act**"). If circumstances require, the Board may also declare dividend out of accumulated profits of any

previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Interim and Final Dividend

The Board may also declare interim dividends during a financial year. Additionally, the Board may recommend final dividend for the approval of the shareholders at the annual general meeting of the Company. The date of the Board meeting in which the dividend proposal will be considered will be provided to the stock exchange/s as required by the Regulations.

5. Circumstances under which shareholders may or may not expect Dividend

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors, and declare dividend in any financial year after taking these into account. Further, the Board shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

Notwithstanding the above, the Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board such as the following circumstances:

- Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Whenever there is a need for significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital; and
- In the event of inadequacy of profit or whenever the Company has incurred losses.

6. Some financial parameters and other internal and external factors that could be considered for declaration of Dividend:

- Distributable surplus available as per the Act and Regulations;
- The Company's liquidity position and future cash flow needs;
- Track record of dividends distributed by the Company;
- Payout ratios of comparable companies;
- Prevailing taxation policy or any amendments expected thereof, with respect to dividend distribution;
- Capital expenditure requirements considering the expansion and acquisition opportunities;
- Cost and availability of alternative sources of financing;
- Stipulations/ covenants of loan and other financing agreements;
- Macroeconomic and business conditions in general;
- Providing for unforeseen events and contingencies with financial implications; and

- Any other relevant factors that the Board may deem fit to consider before declaring dividend.

7. Utilization of retained earnings

The Company shall endeavor to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders. Subject to applicable law, the Company's retained earnings shall be applied for:

- Funding inorganic and organic growth needs including working capital, capital expenditure, repayment of debt, etc.;
- Buyback of shares subject to applicable limits;
- Payment of dividend in future years;
- Issue of bonus shares; or
- Any other permissible purpose.

8. Dividend Payment Mode:

Pursuant to the recent amendments (notified via SEBI LODR Fifth Amendment), provisions relating to the issuance of *payable-at-par warrants or physical cheques* under Regulation 12 and Schedule I have been omitted, and hence, the Company **shall not** issue any physical payable-at-par warrants, or cheques for payment of dividends. The Company shall make payment only through electronic modes.

9. Modification of the Policy

The Board is authorised to change/amend this Policy from time to time at its sole discretion taking into account the national or global economic conditions, Company's growth, financial position and investment plans and/or in pursuance of any amendments made to the Act the Regulations or any other applicable law.

10. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

11. Parameters that shall be adopted with regard to various classes of shares

The Company has issued only one class of shares viz. equity shares. The 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 law and will be determined, if and when the Company decides to issue such other classes of shares.

12. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the Act and/or the Regulations, the Act and / or the Regulations shall prevail.

Version 2.0

November 2,2026