

DIVIDEND DISTRIBUTION POLICY

The policy is adopted by the Board of Directors in their meeting held on, 19th August, 2025.

OBJECTIVE

The Board of Directors ("**the Board**") of Molbio Diagnostics Limited ("**the Company**") understands the importance of shareholders' confidence and trust in the Company. In order to preserve the same with transparency, the Board of the Company, has adopted the Dividend Distribution Policy ("**the Policy**") and procedures with respect to Dividends to be declared/recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") as amended from time to time. Dividends if declared, would ordinarily be recommended after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, as per the applicable provisions of the Companies Act, 2013 as amended from time to time (the "**Act**") and the Rules framed thereunder as amended from time to time (the "**Rules**"). The Board may also declare interim dividends as may be permitted by the Act.

The objective of the Policy is to ensure a balance between the quantum/amount of dividend proposed and paid and the amount of profits retained in the business of the Company for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of the Company for distribution of dividend from time to time. Through this Policy, the Company also endeavors to maintain fairness and consistency while considering distribution dividend to its shareholders.

Though the Policy only represents a general guidance to the decision of the Board for recommending dividend, however in exceptional circumstances, the Board reserves the right to recommend dividend in deviation to this Policy, if so deemed necessary in the best interests of the Company and its stakeholders.

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 19th August, 2025.

DEFINITIONS

1. "**Act**" means Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
2. "**Applicable Law**" means the Act, the SEBI Listing Regulations, Securities Contracts, (Regulation) Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996, or any other law or act as may be applicable
3. "**Board**" or "**Board of Directors**" means the Board of Directors of the Company.
4. "**Company**" means Molbio Diagnostics Limited.
5. "**Dividend**" includes any interim dividend and shall mean Dividend as defined in section 2(35) of the Act.
6. "**Dividend payout ratio**" means a fraction of net income a company pays to its shareholders as dividend.

7. **“Free Reserve”** are as defined under section 2(43) of the Act.
8. **“SEBI Listing Regulations”** shall mean the “Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015”, as amended from time to time.
9. **“Policy”** means this Dividend Distribution Policy.
10. **“Paid-up Share Capital”** means such aggregate amount of money credited as paid- up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

Words and expressions used but not defined in this Policy but defined in any applicable law shall have the same meaning respectively assigned to them in such applicable law.

DECLARATION OF DIVIDEND

The declaration of dividend (including interim dividend) would be subject to compliance with the applicable provisions of the Act and rules made thereunder along with SEBI Listing Regulations as amended from time to time.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Board of Directors of the Company, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations. The Board of Directors, while determining the dividend to be declared or recommended, 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.

The Board of Directors of the Company 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.

FINANCIAL PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

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

1. Profits earned during the financial year
2. Retained Earnings
3. Expected future capital / liquidity requirements
4. Any other relevant factors and material events.

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

1. Macro-economic environment – Significant changes in Macroeconomic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates
2. Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged
3. Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

UTILISATION OF RETAINED EARNINGS

The retained earnings of the Company may be used in any of the following ways:

1. Working Capital,
2. Capital Expenditure,
3. Organic and/ or inorganic growth,
4. Investment in new business(es) and/or additional investment in existing business(es),
5. Declaration of dividend,
6. Capitalization of shares,
7. Buy back of shares,
8. General corporate purposes, including contingencies,

Any other permitted usage as per the Act, SEBI Listing Regulations and other applicable laws.

DISCLOSURES

The Policy will be available on the Company's website and the web link of the Policy along with other requisite details, if any, will also be disclosed in the Company's annual report.

REVIEW AND AMENDMENT

1. The Policy would be reviewed annually, or earlier, if material changes take place in the applicable regulations. Any requirement under applicable laws that needs to be covered under the Policy or any changes in the applicable laws or any requirement, to the extent applicable, shall be incorporated into this policy automatically.
2. In the event of any conflict between the provisions of this policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations (to the extent applicable to the Company) or statutory enactments and rules shall prevail over this policy. Any subsequent amendment/modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this policy.

CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the SEBI Listing Regulations, the provisions of SEBI Listing Regulations shall prevail.
