

AEQUS LIMITED*

Dividend Distribution Policy

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****Formerly known as Aequs Private Limited***

Preamble

This Policy shall be called "**Dividend Distribution Policy**" (hereinafter referred to as "the Policy") of Aequs Limited (hereinafter referred to as the "Company").

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "SEBI Listing Regulations"), it is mandatory to have a Dividend Distribution Policy in place by the top one thousand listed companies based on the market capitalization.

The board of directors (the "Board") of the Company has adopted and formulated Dividend Distribution Policy, in compliance with the SEBI Listing Regulations, and has uploaded the same on the Company's website at www.aequs.com ("Website").

Objectives of The Policy

The object of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Company may, subject to its articles of association, pay dividends in proportion to the amount paid-up on each share. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution of or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending/ declaring dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

Definitions

The terms referred to in this policy ("Policy") will have the same meaning as defined under the Companies Act, 2013 (the "Act") and the rules made there under and the SEBI Listing Regulations.

Scope

The Policy covers the following:

a. Dividend to Shareholders of the Company:

To the extent company has any holders of Preference Shares ("Preference Shareholders") at the time of declaring dividend, such Preference Shareholders shall be entitled to receive Dividend as per the terms of allotment of their respective Preference Shares and as recorded in the articles of association of the Company, including wherever prescribed in such terms, in priority to the equity shareholders for payment of Dividend.

The Company currently has only one class of equity share. The Dividend to Equity Shareholders shall, subject to the above paragraph on distribution to Preference Shareholders, shall be distributed equally amongst all the equity shareholders based on their shareholding on the record date. 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.

Recommendation for payment of final dividend to any class of shareholders shall be made by the Board and thereafter placed before shareholders of the Company for approval. The final dividend is paid once at the Annual General Meeting, for the Financial Year after the annual accounts are prepared. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

b. Interim Dividend

The Act authorizes the Board to declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend.

c. Special Dividend

The Board may, at its discretion, recommend a special dividend for the year under certain circumstances considering the performance of the Company. Special dividend (if any) recommended by the Board shall be approved/declared in the Annual General Meeting of the Company.

Parameters to be Considered

The Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

a. Statutory Requirements:

The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

b. Internal Factors: The Board shall consider following internal factors:

- i. Profits of the Company.
- ii. Present and Future expenditure plans of the Company including organic / inorganic growth opportunities.
- iii. Cost of borrowings and Financial commitments with respect to the outstanding borrowings & interest thereon.
- iv. Financial requirement for business expansion and/or diversification, acquisition of new businesses.

- v. Past dividend trend of the Company and the Industry.
 - vi. Cash flows
 - vii. Any other significant developments or corporate action (including but not limited to Bonus issue, Buy back of shares, capital restructuring, debt reduction and capitalisation of shares) that require cash investments.
 - viii. Any other relevant or material factor as may be deemed fit by the Board for the time being.
- c. External Factors: The Board shall consider following external factors:
- i. Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients.
 - ii. Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model.
 - iii. State of economy and capital markets.
 - iv. Any changes in the competitive environment requiring significant investment.
 - v. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
 - vi. Any other relevant or material factor(s) as may be deemed fit by the Board.

Circumstances Under Which the Shareholders May Not Expect Dividend

The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital, if any;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- In case the Company is prohibited to recommend/declare dividend by any regulatory body;
- Whenever it proposes to utilize surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; if any; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.

The Board 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. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy, if any.

Entitlement and Timelines for Dividend Payments

Entitlement:

The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.

Timelines:

The payment of dividend shall be made within the time prescribed under the Act or the rules made there under.

Manner of Utilisation of Retained Earnings

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilize its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders. The decision of utilization of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

Amendment to the Policy

In case of any modification / amendment / re-enactment of any existing acts, rules, regulations, guidelines, SEBI Listing Regulations etc. or an enactment of any new act, rules, regulations, guidelines, etc., which are inconsistent with this Policy, then such modified / amended / re-enacted provision or new provisions shall prevail over the Policy. Any subsequent amendment /modification in the SEBI Listing Regulations, and/or applicable laws in this regard shall automatically apply to this Policy.

This Policy shall not be amended unless the amendment is approved by the Board of Directors or unless such amendment is required pursuant to change in the SEBI Listing Regulations / applicable law.

Disclosure On Website

This Policy shall come into force from the date of the listing of equity shares of the Company on the stock exchanges. A copy of the Policy including amendments thereto shall be hosted on the website of the Company.

Reference

Regulation 43A of the SEBI Listing Regulations

Version History

Sr. No	Version	Approved by	Effective Date	Amendment Summary
1	1.0	Board of Directors at its meeting held on May 08, 2025	Date of listing of equity shares on any stock exchange	-