

AEQUS LIMITED*

Policy on Material Subsidiaries

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

Regulatory Framework:

This policy ("Policy") of Aequus Limited ("the Company") has been prepared in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations").

Regulation 16(1)(c) read with Regulation 24 and 46(2)(h) of SEBI Listing Regulations requires the Company to formulate a policy for determining 'material' subsidiary and ensure compliance with corporate governance principles for material subsidiaries and disclose such policy on its website.

The objective of this Policy is to determine the material subsidiaries (defined herein below) of the Company and to provide a governance framework for such subsidiaries.

This Policy has been adopted by the Board of Directors ("Board") at its meeting held on May 08, 2025 and shall be made effective on listing of its equity shares on any of the stock exchanges.

All words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under SEBI Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars issued thereunder, as amended from time to time.

Definitions:

1. "Audit Committee" means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations.
2. "Board of Directors" or "Board" means Board of Directors of the Company.
3. "Independent Director" means a director of the Company who satisfies criteria for Independence in accordance with Companies Act, 2013 and the SEBI SEBI Listing Regulations.
4. "Material Unlisted Subsidiary" shall mean an unlisted Subsidiary, whose turnover or net worth exceeds 10% percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
5. "Net Worth" means net worth as defined under Section 2(57) of the Companies Act, 2013.
6. "Subsidiary Company or Subsidiary" means a subsidiary company as defined under 2(87) of the Companies Act, 2013.
7. "Significant Transaction or Arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

Compliance With Respect to Material Subsidiary

A. REQUIREMENT OF INDEPENDENT DIRECTOR IN CERTAIN UNLISTED MATERIAL SUBSIDIARIES

At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary whether incorporated in India or not, however it will be subject to the constitutional requirement of the host country and should not be in contravention of Indian law.

Explanation: For the purposes of above Clause, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” means a subsidiary, whose turnover or net worth exceeds twenty percent (20%) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

B. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a General Meeting of its shareholders except in cases where such divestment is made under (i) a scheme of arrangement duly approved by a Court/Tribunal or (ii) under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

C. RESTRICTION ON TRANSFER OF ASSETS OF MATERIAL SUBSIDIARY

The Company shall not sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year without taking prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under (i) a scheme of arrangement duly approved by a Court/Tribunal or (ii) under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

Compliance Requirements with Respect to Subsidiary Company(ies)

- i. The Audit Committee of the Company shall annually review the financial statements, particularly the investments made by the unlisted subsidiary.
- ii. The minutes of the meeting of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.
- iii. The management of the unlisted subsidiary shall periodically bring to the notice of the board of the directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary in the format similar to the format prescribed in the relevant accounting standards.

- iv. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a Peer Reviewed Company Secretary and shall annex with its annual report, a secretarial audit report, given by the secretarial auditor, in such form as may be prescribed.
- v. In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

Disclosures

The Policy for determining material subsidiaries is to be disclosed in the Annual Report of the Company, as per the provisions of laws in force. The policy shall also be uploaded on the website of the Company - www.aequs.com.

Amendment

The Board periodically shall review this Policy and shall also have the power to amend any of the provisions of this Policy, substitute any of the existing provisions with a new provision or replace this Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

However, the Company Secretary and Chief Financial Officer are severally/jointly authorized to provide clarifications or to amend the Policy to give effect to any changes / amendments notified by the Securities Exchange Board of India. Consequently, the policy shall be placed before the Board for their noting and ratification.

In case of any modification / amendment / re-enactment of any existing acts, rules, regulations, guidelines 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.

Reference

- Regulation 16(1)(c) and 46(2)(h) 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	From the date of Listing of shares of the Company.	-