

Proxy Advisory Report (Addendum)

Aequs Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create BRSR Report by the Company and generate XBRL in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sescorporate.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

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Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

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Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

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COMPANY INFORMATION

BSE CODE: 544634

NSE SYMBOL: AEQUS

ISIN: INE947N01017

Industry: Engineering

Email: investor.relations@aequs.com

Phone: +91 96 3205 8521

Registered Office: Aequs Tower No.55 Whitefield- Main Rd Mahadevapura Post Bangalore 560048 Karnataka

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 27th March, 2026

Notice Date: 25th February, 2026

Notice: [Click here](#)

Annual Report: [FY 2024-25](#)

SES PA Report (Last AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [KFintech](#)

Cut-off Date: 20th February, 2026

Remote E-voting:

- **Start:** 26th February, 2026
- **Ends:** 27th March, 2026

ADDENDUM REPORT RELEASE DATE: 24th March, 2026

Research Analyst: Vansh Ganatra

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict



ADDENDUM

There is a change in the SES recommendation on Resolution #1, #3 & #4 from 'AGAINST' to 'FOR' based on the Company's clarification and additional disclosures. There are no other changes apart from the above.

EXISTING RECOMMENDATION					
S. No	Resolution	Type	SES Observation #	Rec.	Rationale
1	Ratification and amendment of Aequs Employee Stock Option Plan 2025 (ESOP 2025).	S	NC GC	AGAINST	<i>Absolute Discretion to NRC to determine Exercise Price. Potential Significant Benefit arising to a single Employee.</i>
2	Ratification of the extension of the benefits of Aequs Employee Stock Option Plan 2025 (ESOP 2025) to the employees of holding company and subsidiary companies of the Company.	S	NC GC	AGAINST	<i>Interlinked with resolution #1. Scheme extended to Holding Company without cost -reimbursement provision</i>
3	Approval of secondary acquisition of shares through trust route for the implementation of Aequs Employee Stock Option Plan 2025 (ESOP 2025).	S	NC GC	AGAINST	<i>Interlinked with resolution #1.</i>
4	Ratification of provision of funds by the Company for the purchase of its own shares by the Aequs Stock Option Plan Trust for the benefit of employees under Aequs Employee Stock Option Plan 2025.	S	NC GC	AGAINST	<i>Interlinked with resolution #1.</i>
REVISED RECOMMENDATIONS					
1	Ratification and amendment of Aequs Employee Stock Option Plan 2025 (ESOP 2025).	S	LC	FOR	<i>No governance concern identified.</i>
2	Ratification of the extension of the benefits of Aequs Employee Stock Option Plan 2025 (ESOP 2025) to the employees of holding company and subsidiary companies of the Company.	S	LC GC	AGAINST	<i>Scheme extended to Holding Company without a cost-reimbursement provision</i>
3	Approval of secondary acquisition of shares through trust route for the implementation of Aequs Employee Stock Option Plan 2025 (ESOP 2025).	S	LC	FOR	<i>No governance concern identified.</i>
4	Ratification of provision of funds by the Company for the purchase of its own shares by the Aequs Stock Option Plan Trust for the benefit of employees under Aequs Employee Stock Option Plan 2025.	S	LC	FOR	<i>No governance concern identified.</i>

S - Special Resolution Rec. - Recommendation

LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 20th March, 2026 in respect of the ongoing PB of the Company.

Post release of PA Report, SES received an email from the Company on 23rd March, 2026. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 23rd March, 2026 as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 ([SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE



Resolution #1, #3 & #4:

The Company in its response to SES on 23rd March, 2026 has provided clarification w.r.t. to the exercise price of the ESOP Scheme.

Further, the Company on 23rd March, 2026 issued clarification to stock exchanges w.r.t. it's ongoing Postal Ballot. ([Link](#))

In the clarification the Company w.r.t. exercise price has stated the following:

*However, we hereby clarify that for all the grants under ESOP 2025, **Exercise Price shall be the last traded price of equity shares** of Aequs Limited, on the recognized stock exchange having the highest trading volume on the trading day immediately preceding the date of grant of Options by the Nomination & Remuneration Committee.*

SES Comments:

SES, in its PA Report, has raised a **compliance concern** with respect to the exercise price and the maximum employee benefit, as the Company has not properly disclosed the exercise price and **governance concern** due to excessive economic benefit to a single employee w.r.t. **resolutions #1, #2, #3 & #4**.

But as per the above disclosure made by the Company to stock exchanges, the Company has stated that, "**Exercise Price shall be the last traded price of equity shares** of Aequs Limited, on the recognized stock exchange having the highest trading volume on the trading day immediately preceding the date of grant of Options..."

Further, considering the Company has provided last traded price i.e. market price as Exercise price, therefore, potential benefit to single employee on account of exercise of options in this case may not be excessive considering the exercise price will be the prevailing market price.

Hence, considering the following information has been placed in the public domain, SES concern regarding the exercise price and maximum benefit to a single employee stands addressed. Accordingly, SES is modifying its recommendation from '**AGAINST**' to '**FOR**' w.r.t. **resolutions #1, #3, & #4**.

Resolution #2:

Further, the Company w.r.t. resolution #2, which proposed extension of the Scheme to employees of Holding/ Subsidiary Companies has stated the following:

- i. With respect to Resolution No. 2, the extension of benefits of ESOP 2025 to employees of the holding and subsidiary companies is in line with applicable regulatory provisions and established market practices. Such extension is essential for attracting, retaining and motivating talent across the group and ensuring alignment of employee interests with the long-term objectives of the Company. It is further clarified that the extension is limited to employees of holding and subsidiary companies.*
- ii. Further, it is clarified that the absence of a specific provision for cost reimbursement does not result in any undue burden on the Company or its shareholders. The Company has evaluated the financial and accounting implications of the Scheme, and the same are appropriately captured in its financial statements in accordance with applicable accounting standards*
- iii. The Company believes that such extension fosters a unified leadership approach and enhances operational synergies across the group, thereby contributing to sustainable value creation for all stakeholders.*

SES Comments:

SES in it's PA Report had raised governance concern w.r.t. to **resolution #2** due to extension of Scheme to employees of Holding Company in absence of provision for cost reimbursement and compelling justification.

In SES view the Company's response that, "*absence of a specific provision for cost reimbursement does not result in any undue burden on the Company or its shareholders*" is not adequate and doesn't clarify the quantum of the cost that will be borne by the Company.

Further, the justification provided by the Company does not specifically clarify why the Scheme must be extended to employees of the Holding Company and how such extension will lead to "unified leadership and enhanced operational synergies".

In view of the above, the concerns raised by SES w.r.t. to extension of the Scheme to employees of Holding/Subsidiary Companies continue to persist. Hence there is no change in SES recommendation w.r.t. **resolution #2**.



COMPANY'S EMAIL

Hello Sir/Madam

Please find enclosed letter providing our clarifications/comments in respect of your voting recommendations, for your kind consideration.

Regards

Company Secretary & Compliance Officer

[ATTACHMENT](#)



**Disclaimer
Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

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Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

