

EAAA INDIA ALTERNATIVES LIMITED

(Formerly known as Edelweiss Alternative Asset Advisors Limited)

DIVIDEND DISTRIBUTION POLICY

Title DIVIDEND DISTRIBUTION POLICY

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Policy Owner Compliance Team

Introduction:

The Securities and Exchange Board of India (“**SEBI**”), vide the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“**SEBI Listing Regulations**”), has made it mandatory for the top 1000 listed companies based on the market capitalization to formulate a dividend distribution policy (“**Policy**”), which will be disclosed on their website. The SEBI Listing Regulations further stipulate that other listed entities may undertake such compliance on a voluntary basis.

Accordingly, this Dividend Distribution Policy (“**Policy**”) for EAAA India Alternatives Limited (the “**Company**”).

Objective:

One of the ways to reward the shareholders is by distributing portion of Company's earnings in the form of dividend. Besides capital appreciation, an investor expects a consistent cash inflow in the form of dividend. In view of this, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

Definitions:

Unless repugnant to the context:

“**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made.

“**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company.

“**Dividend**” shall mean Dividend as defined under the Act (includes interim dividend).

“**Applicable Laws and Regulations**” shall mean the Act, the SEBI Listing Regulations, together with the circulars issued thereunder; and such other act, rules or regulations which deals with the distribution of dividend.

Regulatory Framework

The Act provides for regulation, recommendation, declaration and payment of dividend, subject to approval of the Board (interim)/Shareholders (final).

Factors for considering Dividend:

The Board may consider inter-alia the following factors viz, the financial performance of the Company, the past dividend trends, the liquidity position of the Company, capital expenditure requirements, if any, business expansions (including acquisitions) if any, debt obligations, the external market conditions, the future potential etc., before considering dividend proposition.

The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at the time of taking decisions in this regard.

When the performance of the Company coupled with the market conditions are conducive/ favourable, the Board may consider, declaring interim dividends too.

In order to conserve resources, the Board may also consider recommending a lesser rate of dividend (as compared to the earlier years). The retained earnings of the Company can be inter-alia utilized for capex, working capital requirement, investment in growth opportunities as deemed fit by the Board at appropriate time. The retained earnings may also be utilised for payment of dividend in subsequent years, or other permitted means of rewarding the shareholders.

In a year where the profits of the Company are inadequate or if there is a loss, the Company would like to utilise the reserves judiciously and the Board may not consider payment of dividend as a viable proposition. Alternatively, in such a scenario the Board at its sole discretion, might consider declaring / recommending dividends, out of the Free Reserves or the accumulated profits and the dividend payment such that the track record is maintained. The amounts paid as dividend in the past does not necessarily indicate that the dividend would be paid in the future and further to that the rate and the amount of dividend may vary from time to time.

Circumstances under which the shareholders may or may not expect dividend

In addition to the above, the decision regarding declaration and payment of dividend is an important decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having adequate profits after complying with all other statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board and Applicable Laws:

- in case of inadequacy of profits or whenever the Company has incurred losses;
- whenever the Company undertakes or proposes to undertake a significant expansion project, renovations and upgradation requiring higher allocation of capital;
- whenever the Company undertakes any acquisitions, amalgamations, mergers, joint ventures, new launches etc. requiring significant allocation of capital;
- significantly higher working capital requirement affecting free cash flow;
- whenever the Company proposes to utilize surplus cash for buy-back of securities or setting off of previous year losses or losses of its subsidiary/ies; and
- in case of being prohibited to recommend/declare dividend by any regulatory body.

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 any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. The statement of this 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 financial 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 this Policy, if any.

Provision regarding class of shares:

Currently, the Company has issued only Equity Shares, and this Policy shall be made applicable only to those Equity Shares. As and when the Company issues other kind of shares, the Policy shall be amended accordingly. 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 Laws and will be determined, if and when the Company decides to issue other classes of shares.

Disclosure

The web-link to this Policy shall be disclosed in the annual report of the Company and on the website of the Company.

Review/Amendment:

The Board shall review and amend the policy periodically as may be deemed necessary, keeping in view the business environment, the performance of the Company, regulatory requirements and other relevant external factors. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand revised to the extend thereto.