

**Nuvama Wealth Management Limited**  
**Dividend Distribution Policy (Version 1.1)**

**A) Background:**

This Dividend Distribution Policy (the '**Policy**') is being adopted and published in compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "**Listing Regulations**") for Nuvama Wealth Management Limited ('the **Company**').

**B) Objective:**

The objective of this Policy is to lay down the criteria and parameters that are to be considered by the Board of Directors of the Company (the "**Board**"), while deciding on the declaration or recommendation of interim dividend or final dividend ("**Dividend**") from time to time, to strike a balance between the dual objectives of rewarding shareholders and ploughing back earnings to support sustained growth of the Company.

The Policy is not an alternative to the decision of the Board for recommending Dividend, which may be made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

**C) Declaration of Dividend:**

The declaration and rate of Dividend will be subject to approval of the Board and the Shareholders, as the case may be. Interim Dividend shall be declared and approved by the Board and Final Dividend shall be declared by the Board and approved by the Shareholders at the Annual General Meeting of the Company.

The general policy which the Company shall follow for declaration of Dividend will be as stated below:

1. The Company shall endeavour to declare Dividend generally between 40% to 60% (including applicable taxes on distribution of dividend) of the consolidated profit after tax (PAT) for the year after the Minority Interest. This would be subject to the availability of standalone PAT of the Company as per the applicable provisions of the Companies Act, 2013 (the '**Act**').
2. Dividend will be declared out of the current year's PAT of the Company. The Board may also consider utilising retained earnings for declaration of dividends, subject to applicable legal and regulatory provisions.

While declaring Dividend, the Company shall comply with relevant statutory provisions under the Act, Listing Regulations and such other applicable regulations made by SEBI in accordance with the Securities and Exchange Board of India Act, 1992, as amended, if any, before taking any appropriate decision on declaration / recommendation of Dividend.

**D) Parameters to be considered before declaring Dividend:**

The Board shall, *inter alia*, consider the following parameters before declaring or recommending dividend:

**a. Financial/Internal Factors:**

- Present and expected financial performance of the Company, its subsidiaries, joint venture and associate companies;
- Mandatory transfer of profits earned to specific reserves;
- Accumulated free reserves and retained earnings in the books of the Company;
- Fund requirements to support future growth and business requirements of the Company, its subsidiaries, joint venture and associate companies;
- Availability of surplus funds for:
  - Outstanding Capital commitments including subsidiaries, joint venture and associate companies of the Company;
  - Investment in various products (new/existing) of its group companies;
  - Working capital requirements;
  - Capital expenditure requirements;
  - Corporate action related to capital restructuring, if any.
  - General corporate purpose(s), including contingencies.
- Compliance with regulatory requirements, capital adequacy/ similar requirements stipulated under applicable regulations;
- Compliance with covenants contained in any agreement entered into by the Corporation with its lenders/ debenture trustees, if any
- Other factors and / or material events which may have, direct or indirect, bearing on operations, revenue, profitability and available resources for distribution of dividends;
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Such other purpose(s) as the Board may deem fit from time to time.

**b. External Factors:**

- Macro-economic conditions and market outlook;
- Regulatory changes;
- Sense of shareholders' expectations;
- Cost of raising funds from alternate sources;
- Other factors which may have, direct or indirect, bearing on operations, revenue, profitability of the Company, its subsidiaries, joint ventures and associate companies, etc.

**E) Utilisation of Retained Earnings:**

The Company shall endeavour to utilize the retained earnings for securing the long-term objectives and in the manner which shall be beneficial to the interests of the Company and also the shareholders.

The Board may decide to employ retained earnings, *inter alia*, in meeting the Company's future growth and expansion plans, business requirements, other strategic purposes, capital restructuring, distribution to shareholders or for any specific purpose subject to applicable laws and regulations.

**F) Circumstances under which shareholders may or may not expect Dividend:**

The Company may not distribute Dividend or may distribute a reduced quantum of Dividend. Such circumstances which may include but are not restricted to adverse market conditions and business uncertainty, absence or inadequacy of profits earned during the financial year, inadequacy of cash balance, higher than envisaged capital expenditure / growth investment, pursued growth opportunities, meeting business needs, imposition of any regulatory restriction on the Company on declaration/recommendation of Dividend. The Board may opine that it would be prudent to conserve capital for growth or other exigencies, as per the assessment of the Board and hence Dividend may not be declared/recommended or reduced Dividend may be declared /recommended.

**G) Parameters for various classes of Shares:**

Currently, the Company has only one class of shares viz. equity shares. In future, if the Company issues multiple classes of shares, the parameters of the Policy for Dividend payments will be as per the respective terms of issue and in accordance with the applicable laws.

**H) Conflict in Policy:**

In the event of any conflict between the provisions of the Policy and the Act or the Listing Regulations or any other statutory enactments, the Act, Listing Regulations or such statutory enactments shall prevail over the Policy.

**I) Review of Policy:**

The adequacy of this Policy shall be reviewed and reassessed by the Board to update the Policy based on the changes that may be brought due to any changes in regulatory framework or otherwise.

The Board has the power to review this Policy from time to time.

**J) Disclosure of Policy:**

As per the Listing Regulations, the Policy shall be placed on the Company's website i.e. [www.nuvama.com](http://www.nuvama.com) and the web link shall be disclosed in the Annual Report of the Company.

**K) Disclaimer:**

The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. 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.

**Document Control**

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