

**Nuvama Wealth Management Limited**  
**Dividend Distribution Policy**

**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**”).

**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.

**C) Declaration of Dividend:**

Interim Dividend shall be declared by the Board and Final dividend shall be paid only after approval of the Shareholders at the Annual General Meeting (AGM) of the Company.

Dividend will be declared out of the current year’s Profit after Tax 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 Companies Act, 2013 (the “**Companies Act**”), Listing Regulations and Regulations made by SEBI in accordance with the Securities and Exchange Board of India Act, 1992 (the SEBI Act), as amended (the “**SEBI Regulations**”), if any, before taking any appropriate decision on declaration / recommendation of dividend.

The Board may, at its discretion, and subject to applicable rules, choose to recommend a dividend out of the Company’s free reserves.

**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 and associate companies;
- 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 and associate companies;

- 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.

**b. External Factors:**

- Macro Economic Conditions and market outlook;
- Regulatory changes;
- Other factors which may have, direct or indirect, bearing on operations, revenue, profitability of the Company, its subsidiary 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 a 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 the 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 this Policy and of the Act or Listing Regulations or SEBI Regulations or any other statutory enactments, rules, the

provisions of such Act or Listing Regulations or SEBI Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

**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, [●] and the web link shall be disclosed in the Annual Report of the Company.

**Financial parameters that shall be considered while declaring dividend:**

- a) Profit in absolute terms - The profits earned by the Company is the major factor of consideration in case of payment of dividend.
- b) Growth Rate - The growth rate is the percentage change in profit during the specific time period.
- c) Outstanding Capital Commitments - The Company set aside the certain amount for meeting the outstanding capital commitments of the Company.
- d) Availability of surplus funds for:
  - Additional investments in Subsidiaries of the Company - The Company makes Non-Current investments in Subsidiaries of the Company on regular basis.
  - Investment in various products of its group companies.
  - Working capital requirements - The funds are also utilised for meeting the working capital requirements of the Company.
  - Capital expenditure requirement.
  - Corporate action related to capital restructuring.
  - General corporate purpose(s), including contingencies.
  - Such other purpose(s) as the Board may deem fit from time to time.
- e) Policy as to how the retained earnings shall be utilized Retained earnings shall unless transferred to any reserves (other than general reserves) be available for disposal by the Board as they deem fit in their absolute discretion in the interest of all Shareholders and may be utilized for distribution of dividends in accordance with past dividend distribution trend of the Company after considering the factors and parameters as referred to in Clause 3.3 and Clause 3.4.