

NUVAMA WEALTH MANAGEMENT LIMITED**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS****1. Introduction:**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), mandates listed entities to formulate a policy on materiality of related party transactions and on dealing with the related party transactions. Accordingly, the Board of Directors of Nuvama Wealth Management Limited ("the Company") have approved a Policy in this regard at their meeting held on June 16, 2023

This Policy is effective from June 16, 2023.

Objective

The objective of this Policy is to set out:

- the materiality thresholds for related party transactions;
- the manner of dealing with the transactions between the Company and its related parties based on the Companies Act 2013, Regulation 23 of the Listing Regulations; and
- lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

2. Definitions:

"Act" means Companies Act, 2013 read with rules thereto, including any amendments, re-enactments, modifications, notifications, circulars and orders issued from time to time.

"Audit Committee" or **"Committee"** means Audit Committee of the Company as constituted by the Board;

"Board of Directors" or **"Board"** means Board of Directors of the Company;

"Company" means Nuvama Wealth Management Limited;

"Key Managerial Personnel" (KMP) means: KMP in relation to a company will have the same meaning as defined in section 2(51) of the Companies Act, 2013 (as amended from time to time)

"Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Arm's Length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Subsidiary**” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 (‘Act’).

“**Policy**” means Related Party Transaction Policy.

“**Relative**” means relative as defined under Section 2(77) of the Companies Act, 2013.

“**Related Party**”, with reference to a Company, shall have the meaning as defined in Section 2 (76) of the Act, Regulation 2(1) (zb) of the Listing Regulations.

“**Related Party Transaction**” (RPT) means:-

- for the purpose of the Act, specified transaction of the Company with Related Parties mentioned in clause (a) to (g) of sub-section 1 of Section 188 and clause (iv) of sub-section 4 of Section 177 of the Act; and
- for the purpose of Regulation 2(1)(zc) of the Listing Regulations, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether any price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

“**Promoter**” and “**Promoter Group**” shall have the respective meanings as assigned to them in the Listing Regulations and the Act;

“**Material Related Party Transaction**” for the purpose of this Policy, means transactions with related parties that if entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

A transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transactions to be entered into individually or taken together with previous transactions during a financial year, exceed five per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Material modifications in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% or rupees **fifty crore, whichever is higher**

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Listing Regulations and rules, regulations, notifications and circulars issued thereunder

3. Procedure:

In terms of the Regulation 23 of the Listing Regulations, the Related Party Transactions shall be approved as per the process outlined below.

A. Audit Committee approval:

i. Prior approval of the Audit Committee of the Company shall be required for the following:

- a. All Related Party Transactions and subsequent Material Modifications, if any;
- b. All Related Party Transactions whether entered into individually or taken together with the previous transactions during a financial year, wherein the subsidiary of the Company is a party but the Company is not a party, if it:
exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company.

The above-mentioned transactions shall be approved only by the independent directors of the Company who are members of the Audit Committee.

ii. Omnibus Approval:

- a. In terms of Section 177 of the Act and Regulation 23(3) of the Listing Regulations, the Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company. The Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given by it on a quarterly basis;
- b. Such omnibus approval shall remain valid for a period of one financial year commencing from April 1st and ending on March 31st irrespective of the date of approval by the Audit Committee or such other lesser period as may be specified by the Audit Committee and shall require fresh approval after its expiry.

Factors to be considered by the Audit Committee while approving the Related Party Transactions

- Whether the terms of Related Party Transaction are fair and on arm's length basis.
- Whether the Related Party Transaction is in the ordinary course of business of the Company or Related Party.
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any.
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company; and
- Any other factors the Committee deems relevant.

If any Member of the Committee is interested in any contract/arrangement with a related party, such Member shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract/arrangement.

B. Approval of the Board of Directors and Members, if any, and to the extent required

All Material Related Party Transactions and subsequent Material Modifications, if any, thereto as approved by the Audit Committee may require prior approval of the Board of Directors and the Members of the Company. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during the discussions and voting on the subject matter of the resolution relating to such contract or arrangement.

Further, the transactions which are not approved by the Audit Committee will be placed before the Board of Directors for its consideration, along with the recommendations of the Audit Committee.

C. Shareholders' Approval

- i. In case of listed company, all the Material Related Party Transactions and subsequent material modifications as defined by the audit committee, shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- ii. In case of all companies, the transactions with the related parties which are not in the Ordinary Course of Business or at Arms' Length Basis shall require the prior approval of the shareholders through a resolution, if it exceeds the thresholds as specified in Section 188 of the Companies Act, 2013 as amended from time to time: as provided below:-

Sr. No.	Nature of Transactions	Prescribed limits
i.	Sale, purchase or supply of any goods or materials directly or through appointment of agents*.	10% or more of Turnover of the Company
ii.	Purchasing, selling or disposal of property of any kind, directly or through the appointment of agents*	
iii.	Leasing of Property of any kind*.	
iv.	Availing or rendering of services directly or through the appointment of agents*	
v.	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs. 2,50,000
vi.	Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company	Exceeding 1% of the net worth

*The limits specified above shall apply to transaction/transactions either individually or taken together with previous transactions during a financial year.

4. Related Party Transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board or the Shareholders, as may be required, in accordance with the applicable provisions of the Act / Listing Regulations and as per this Policy for review and ratification.

The Committee and the Board or the Shareholders shall consider all relevant facts and circumstances relating to such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee and the Board deems appropriate under the circumstances.

5. Disclosures:

- The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Listing Regulations and the Act, from time to time and the same shall be published on its website and a weblink shall be provided in the Annual report

Review of the Policy

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly based on the recommendations of the Audit Committee.