

Nuvama Wealth Management Limited
Determination of Material Subsidiary Policy

1. BACKGROUND & PURPOSE

Regulation 16(1)(c) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) mandates listed entities to frame policy for determining material subsidiaries. Accordingly, the Board of Directors (the “**Board**”) of the Nuvama Wealth Management Limited (the “**Company**”) adopted the policy for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the said provisions.

2. DEFINITIONS

2.1 “Applicable laws” shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2.2 “Subsidiary” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

Identification of Material Subsidiary for the purpose of these Regulations shall mean:

2.3 “Material Subsidiary” means a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Companies Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

3. GOVERNANCE FRAMEWORK

FOR MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

(a) Restriction on disposal of shares:

- dispose the shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose the shares in the material subsidiary which would result in ceasing the exercise of control over the subsidiary; or

(b) Restriction on disposal of assets:

- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

Exception:

The above restrictions shall not be applicable where divestment is under a scheme of arrangement duly approved by a court/ tribunal or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 (the “Insolvency Code”) and such an event is disclosed to the stock exchanges within one day of the resolution plan being approved

REQUIREMENT OF INDEPENDENT DIRECTOR

The Listing Regulations also mandate certain requirements that in case of unlisted material subsidiary, at least one Independent Director on the Board of the Company shall be a Director on the Board of the unlisted material subsidiary.

For the purposes of this requirement, “unlisted material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

3.1. This Policy shall be disclosed on the Company’s website viz.,www.nuvama.com and a web link thereto shall be provided in the Corporate Governance report.

4. REVIEW

The Policy shall be reviewed by the Board as and when it deems fit.

Any subsequent amendment/modification in any manner in the Companies Act, the Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy and shall stand amended effective from the date as stated in the said amendments.

Document Control:

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