

POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTIONS

1. Scope and Purpose

The Company recognizes that Related Party Transactions (“RPTs”) may give rise to actual or potential conflicts of interest that could adversely impact the interests of Dudigital Global Limited (“the Company”) and its shareholders. The Board of Directors (“the Board”) recognizes the importance of upholding the highest standards of corporate governance and maintaining the trust and confidence of stakeholders.

Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) mandates every listed entity to formulate a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, and to review the same at least once every three years through the Audit Committee.

In accordance with the aforesaid regulatory requirement, and in view of the statutory provisions governing the approval, review, and disclosure of Related Party Transactions under the Companies Act, 2013 (“the Act”) and the SEBI Listing Regulations, as amended from time to time, the Company has formulated this Policy to establish a structured and transparent framework for the identification, evaluation, approval, and monitoring of such transactions.

The Policy has been adopted by the Board of Directors upon the recommendation of the Audit Committee and, inter alia, prescribes the materiality thresholds and lays down the manner of dealing with Related Party Transactions to ensure fairness, transparency, and proper governance, thereby safeguarding the interests of the Company and its shareholders.

2. Objectives of the Policy

The key objectives of this Policy are to:

- i. define the materiality thresholds for Related Party Transactions;
- ii. establish the manner of dealing with transactions between the Company and its Related Parties, ensuring compliance with the Act, SEBI Listing Regulations, and other applicable laws and regulations;
- iii. ensure timely and adequate disclosure of Related Party Transactions.

3. Definitions

- A. “**Act**” shall mean the Companies Act, 2013, and the Rules framed thereunder, including any statutory amendments or re-enactments, modifications, clarifications or circulars thereof, from time to time
- B. “**Arm's Length Transaction**” means a transaction between two Related Parties conducted as if they were unrelated, without any conflict of interest.

- C. **"Arm's Length Price" (ALP)** refers to the price applied in a transaction between two unrelated person/parties.
- D. **"Audit Committee"** means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of SEBI Regulations, 2015 as amended from time to time.
- E. **"Associate Company"** means any other company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company. It also means any entity which is an associate under sub-section (6) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards.
- F. **"Board of Directors or Board"** means the Board of Directors of the Company, as constituted from time to time.
- G. **"Company"** means Dudigital Global Limited.
- H. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- I. **"Key Managerial Personnel"** means the personnels as defined in sub-section (51) of Section 2 of the Companies Act, 2013.
- J. **"Listed Entity"** means an entity which has listed its designated securities on a recognised stock exchange(s).
- K. **"Material Related Party Transaction(s)"** shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations, as amended from time to time.
- L. **"Material Modifications"** means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more or by which the transaction ceases to be in ordinary course and/or on arm's length basis or such other parameter as may be determined by the Audit Committee from time to time.
- M. **"Ordinary Course of Business ('OCB')"** means a transaction which/wherein:
- is carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') of the Company as amended from time to time, or
 - is as per historical practice with a pattern of frequency, or
 - is in connection with the normal business carried on by the Company, or
 - the income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or
 - is common commercial practice, or
 - meets any other parameters / criteria as decided by the Board/Audit Committee.

N. **“Relative”** in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act and under Regulation 2(1)(zd) of SEBI Listing Regulations, as amended from time to time.

O. **“Related Party”** shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, as amended from time to time.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”.

P. **“Related Party Transaction” (“RPT”)** shall mean such Transaction(s) with Related Party(ies) as specified under Section 188 of the Act or rules made thereunder and under Regulation 2(1)(zc) of the Listing Regulations, as amended from time to time.

Q. **“Senior Management”**: Officers and personnel who are members of the core management team, excluding the Board, and include all members of management one level below the CEO/MD/WTD/Manager (including CEO/Manager if not on Board), specifically functional heads, Company Secretary, and Chief Financial Officer.

R. **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Act.

Any other term not defined herein shall have the same meaning as defined in the Act, SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, unless the context otherwise require.

4. Material Related Party Transaction Thresholds

4.1 SEBI Listing Regulations requires a company to provide materiality thresholds for transactions with its Related Party. In case, if a ‘Related Party Transaction(s)’ exceeds the materiality threshold, prior approval of the shareholders will be required by way of a Resolution.

4.2 Dudigital Global Limited has fixed its materiality thresholds at the level prescribed under Regulation 23(1) of the SEBI Listing Regulations as under:

a) Any transaction(s) with a related party shall be considered material - if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 50 crores (Rupees Fifty Crores) or 10 (ten) percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

b) In case of transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds five percent (5%) of the annual consolidated turnover of the listed entity as per its last audited financial statements.

c) Further, Regulation 23 of the SEBI Listing Regulations provide that any subsequent material modifications to the terms of such transactions, as defined by the Audit Committee, shall also require shareholders' prior approval by way of a resolution.

5. Manner of Dealing with Related Party Transactions (Procedures)

5.1 Ascertaining Related Parties:

- i. It will be the responsibility of the Directors and KMPs to keep the Company updated immediately if there is a change in any of the declarations provided at the beginning of the financial year.
- ii. Every Director, KMP, Officer of the Subsidiary of the Company will be responsible for providing list of its Related Parties to the Company on an annual basis and whenever there is a change therein;
- iii. The Company Secretary shall, based on disclosures received from Directors and Key Managerial Personnel and other relevant information available to the Company, identify all Related Parties in accordance with Section 2(76) of the Companies Act, 2013 read with the Rules made thereunder and Regulation 2(1)(zb) of the SEBI Listing Regulations, and maintain an updated database of such Related Parties. The said database shall be reviewed and updated from time to time.

5.2 Identification of Related Party Transaction(s):

- i. Every Director, KMP, Officers of the Company and of the Subsidiary authorized to enter into contracts/arrangements will be responsible for providing prior Notice to the Chief Financial Officer of the Company with a copy to the Company Secretary of the Company of any potential Material Related Party Transaction. They will also be responsible for providing additional information about the Transaction that the Board / Audit Committee may request, for being placed before the Board/ Audit Committee of the Company.
- ii. Details of existing/proposed transactions shall be submitted, including the name of the related party, nature and period of the transaction, maximum amount, indicative price/formula, and other relevant information.
- iii. The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Requirements. The Company shall determine whether the transaction is in the ordinary course of business and valued at arm's length pricing basis and for this purpose, the Company may seek external professional opinion, if necessary.

5.3 Review and Approval of Related Party Transactions

Related Party Transactions require approval at different levels based on their nature and materiality:

A. Audit Committee Approval:

Prior approval of the Audit Committee is required for all Related Party Transactions and subsequent material modifications.

- Only Independent Directors of the Audit Committee shall approve RPTs.

- The Audit Committee while approving the related party transaction(s) shall consider factors such as the nature of relationship, nature and value of the transaction, business rationale, arm's length basis, and potential impact on the interest of the company and other stakeholders.

Exception: Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel, or senior management (other than persons who are promoter(s) or belong to promoter group) shall not require Audit Committee approval, provided that the same is not a material related party transaction.

Ratification A Related Party Transaction, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration and ratification, within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, in the manner prescribed under Regulation 23(2)(f) of the SEBI Listing Regulations.

This ratification is subject to conditions:

- The value of the ratified transaction(s) (individually or taken together during a financial year) shall not exceed Rupees one crore.
- The transaction is not material in terms of the materiality thresholds defined in this Policy.
- Rationale for the inability to seek prior approval must be provided.
- Details of the ratification, including –
 - Value of the Transaction
 - Materiality,
 - Rationale for Lack of Prior Approval,
 - Disclosure of Ratification Details,must be disclosed.
- Failure to seek ratification renders the transaction voidable at the Audit Committee's option, and the concerned director(s) shall indemnify the Company against any loss.

Omnibus Approval: The Audit Committee may grant omnibus approval for RPTs that are repetitive in nature, subject to certain conditions:

- The criteria for omnibus approval must be laid down in line with this Policy.
- The Audit Committee must be satisfied regarding the need for such approval and that it is in the Company's interest.
- The approval must specify the related party names, transaction nature, period of transaction, maximum amount, indicative price/formula, and other conditions.
- For unforeseen transactions where the above mentioned details are not available, omnibus approval can be granted if the value does not exceed Rupees one crore per transaction.
- The Audit Committee shall review transactions approved under omnibus approval at least quarterly.
- Omnibus approvals are valid for a period not exceeding one year and require fresh approval thereafter.
- Omnibus approval generally should not be granted for transactions involving the sale of an undertaking or transactions non-repetitive in nature.

While seeking approval for a Related Party Transaction placed before the Audit Committee, the Audit Committee shall be provided with the information as required to be provided under the Act and the SEBI Listing Regulations.

B. Board Approval:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length pricing basis, are placed before the Board for its approval. In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in the Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.
- All RPTs intended to be placed before shareholders for approval require Board approval.

C. Shareholder Approval:

- Prior approval of the shareholders is required for all Material Related Party Transactions (as defined in this Policy and under Regulation 23 of the Listing Regulations) and any subsequent material modifications thereto. All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.
- The approval shall be obtained through a resolution.
- No related party shall vote on such resolution, regardless of whether the entity is a related party to the particular transaction.

Exception: Shareholder approval is not required for transactions between a holding company and its wholly owned subsidiary whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval.

While placing any proposal for review and approval of an RPT, the Company shall provide the Shareholders with the information as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards"), as made applicable by SEBI and as prescribed under the SEBI Listing Regulations and the Act, from time to time.

5.4 Transactions with Subsidiaries

- i. a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction (individually or with previous transactions during a financial year) exceeds ten per cent of the annual standalone turnover of the subsidiary, as per its last audited financial statements.
- ii. Prior Audit Committee approval is not required for an RPT where a listed subsidiary is a party (and the Company is not), if Regulation 23 and Regulation 15(2) apply to that listed subsidiary.
- iii. For unlisted subsidiaries of such a listed subsidiary, the listed subsidiary's Audit Committee approval is sufficient.

6. Disclosures

- i. The Company shall disclose, in the Board's Report, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act which are not at arm's length basis, whether or not such transactions are in the ordinary course of business, along with the justification and such other information as prescribed under the Act. Details of transactions with promoter/promoter group holding 10% or more shareholding shall be disclosed in the annual report as per accounting standards.
- ii. The Company shall submit within the timelines prescribed under Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time and publish the same on its website.
- iii. The disclosures to stock exchanges shall be made half-yearly along with standalone and consolidated financial results, shall be made on the date of publication of the financial results.
- iv. Details of all material transactions with related parties shall be disclosed quarterly along with the corporate governance compliance report, if applicable.
- v. The policy on dealing with RPTs shall be disclosed on the Company's website, and a web link provided in the Annual Report.
- vi. A register of contracts or arrangements in which directors are interested shall be maintained as per the Act (Section 189) and placed before the Board meeting.

7. Related Party Transactions Not Approved Under This Policy

- i. If the Company becomes aware of an RPT that has not been approved according to this Policy prior to its execution, the Audit Committee shall review the matter.
- ii. The Audit Committee will assess all relevant facts and circumstances and evaluate options such as ratification, revision, or termination of the transaction. It will also examine the reasons for the failure to report and any failure in internal controls.
- iii. The Audit Committee may direct necessary actions, including discontinuing the transaction or seeking shareholder approval. If ratification is not granted, the transaction may be voidable, and the concerned director(s) may be liable to indemnify the Company.

- iv. The Audit Committee has the authority to modify or waive procedural requirements of this Policy, provided it does not contradict applicable provisions of the Act or SEBI Regulations, 2015.

8. Exclusions

- Transactions between a holding company and its wholly owned subsidiary whose accounts are consolidated and placed before the shareholders at the general meeting for approval are exempt from the requirements of Section 188 of the Act and Regulation 23(2), (3), and (4) of the SEBI Listing Regulations.
- Transactions between two wholly-owned subsidiaries of the listed holding company whose accounts are consolidated and placed before the shareholders at the general meeting for approval are also exempt from Regulation 23(2), (3), and (4).
- Payment of statutory dues/fees/charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand, are also exempt from Regulation 23(2), (3), and (4).
- Reimbursement made of expenses incurred by a Related Party for business purpose of the Company, or Reimbursement received for expenses incurred by the Company on behalf of a Related Party.
- Reimbursement of pre-incorporation expenses incurred by or on behalf of a Related Party

9. Review of the Policy

This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly. The Audit Committee may also review and amend the Policy as needed, subject to Board approval.

Amended and effective February 24, 2026