

Policy for Determining Material Subsidiary

1. Purpose and Scope:

The Policy for determining ‘material’ subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

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 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Board of Directors (the “Board”) of the Company has adopted the following policy with regard to the determination of its Material Subsidiaries.

The Company is required to disclose this Policy on its website and a web link thereto shall be provided in the Annual Report

2. Definitions

“**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“**Board of Director**” or “**Board**” means the Board of Directors of the Dudigital Global Limited, as constituted from time to time.

“**Company**” means Dudigital Global Limited.

“**Holding Company**” means Holding Company as defined under Section 2(46) of the Act.

“**Independent Director**” means an Independent Director as defined in Section 2(47) of the Act read with Listing Regulations and as may be amended from time to time.

“**Policy**” means this Policy for determining Material Subsidiaries and as may be amended from time to time.

“**Subsidiary Company / Subsidiary**” means Subsidiary Company / Subsidiary as defined under Section 2(87) of the Act and the Rules made there under.

3. Criteria for determining Material Subsidiary

A Subsidiary shall be considered as material if its turnover or net worth exceeds 10% (ten per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year (“**Material Subsidiary**”).

DUDIGITAL GLOBAL LIMITED

CIN: L74110DL2007PLC171939

Registered Address: C-4, SDA Community Centre, Hauz Khas, New Delhi - 110016

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4. Governance framework:

- i. At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or outside.

(Explanation: For the purpose of this requirement, notwithstanding anything to the contrary contained in this Policy, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% (twenty per cent) of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.)

- ii. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- iii. The minutes of the Meetings of the Board of Directors of the Unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- iv. The Company and its unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

5. Disposal of Shares / Assets of Material Subsidiary

- i. The Company shall not dispose of shares in its Material Subsidiary which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty per cent) or cease the exercise of control over the Material Subsidiary without passing a special resolution in the General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- ii. The Company shall not sell, dispose and lease assets amounting to more than 20% (twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year unless it obtains the prior approval of shareholders by way of special resolution, except where the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. Review of Significant transaction and arrangements entered into by Unlisted Subsidiary Company

The management of the material unlisted subsidiary shall periodically bring to the attention of the Board, a statement of all significant transactions and arrangements entered into by the material unlisted subsidiary company. For the purpose of this sub-clause, the term “significant transaction

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or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to

exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

7. Amendments

The Board shall have the power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy

8. Interpretation

Any words used in the Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and regulations made there under, SEBI LODR or any other relevant legislation/ law applicable to the Company.

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