

DIGJAM

Policy on related party
transactions

RELATED PARTY TRANSACTION POLICY**1. PREAMBLE:**

The Board of Directors (the “Board”) of **DIGJAM LIMITED** (the “Company”), has adopted the following policy and procedures with regard to the Related Party Transactions as defined below.

This policy is to regulate transactions between the Company and its related parties based on the laws and regulations applicable to the company. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

Accordingly, the Board of Directors of Digjam Limited (referred to hereinafter as “the Board”) had framed this policy relating to Related Party Transactions as defined herein pursuant to Section 177, 188 and other applicable provisions of the Companies Act, 2013 (‘the Act’) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (‘Rules’) and Regulation 23 and other applicable regulations of the Listing Regulations including the notifications, circulars issued by SEBI from time to time. Further, SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 and SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025, providing the Industry Standards on Minimum Information to be provided for review of the audit committee and shareholders for approval of a related party transaction (“ISF Standards on RPT”), shall also be the governing provisions for this policy.

On November 18, 2025, SEBI notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025, introducing inter alia, turnover-based materiality thresholds, revised subsidiary approval limits and certain other requirements for related party transactions. These amendments came into effect on December 18, 2025. In view of a recent amendment and/or circular to the Listing Regulations issued by the Securities and Exchange Board of India, the amendment to this Policy has been adopted by the Board of Directors of the Company (‘the Board’) based on the recommendations of the Audit Committee and approval of the Board of Directors of the Company (“the Audit Committee”) and shall be effective from January 31, 2026.

The Board has determined that the Audit Committee is best suited to review all Related Party Transactions.

2. OBJECTIVE:

Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder (“Companies Act”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing

Regulations”) require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the SEBI Listing Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

The Audit Committee of the Company will review this policy on an annual basis and propose any modifications to the Board for approval.

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. DEFINITIONS:

“Act”

The Companies Act, 2013.

“Accounting Standard”

It means the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India in consultation with and after examination of the recommendations made by the National Finance Reporting Authority.

“Arm’s Length Transaction”

It means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“Arm’s Length Price”

It means a price which is applied or proposed to be applied in a transaction between two unrelated persons.

“Associate”

It means a Company as defined under section 2(6) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in associate’s in consolidated financial Statements” and by Accounting Standard (AS) 18, “Related party disclosures”.

“Audit Committee or Committee”

It means the Committee of the Board formed under section 177 of the Act and Regulations 18 of Listing Regulations 2015.

“Board”

In relation to a Company, means the collective body of Directors of the Company (Section 2(10) of the Companies Act, 2013).

“Control”

It means control as defined in Section 2 (27) of the Act and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Holding Company”

It means holding company as defined in Section 2(46) of the Companies Act, 2013. Accordingly, “holding company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies.

“Joint venture”

It means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

“Key Managerial Personnel”

It mean key managerial personnel as defined under Section 203 of the Companies Act, 2013 and includes:

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The Chief Financial Officer
- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed

“LODR”

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

“Material Related Party Transaction”

A transaction 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 the following thresholds or such other thresholds as prescribed under SEBI Listing Regulations from time to time.

“Material Modification”

Any modification(s), alteration(s) and/or change(s) to the terms and conditions governing a transaction having any of the following implications:

- (a) 10% of the financial consideration; or
- (b) Having financial implication of more than Rs. 100 Crores shall be considered as material modification.

Notwithstanding the above, the following events shall be deemed to be material modifications:

- a. In case of a loan or deposit or any other means of funding including securities and guarantees given, any deviation in the objects or purposes for which the loan or deposit was given or funding was made or received or securities and guarantees given;
- b. In case of any other transaction or agreement, any amendment which will have the effect of:
 - i. renewing or extending the term of the transaction or agreement for a period exceeding three years, except for completion of any surviving obligations.
 - ii. ceasing the terms of the contract at arms' length
 - iii. Any novation of the contract or arrangement to a third party
 - iv. the claims of the party being subordinated"

Provided that for material RPTs, any modification that changes the valuation basis, pricing mechanism, or significantly alters the commercial terms shall also be considered material in line with the Revised Standards.

"Materiality Threshold"

It means limits for related party transactions beyond which approval of the shareholders as specified in Companies Act, 2013 and rules thereof and amendments thereto will be required.

“Ordinary course of business”

It 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 from time to time.

The satisfaction of any of the following tests shall determine whether a transaction is in the ordinary course of business of the Company:

- i. The activity in question should be in furtherance of the business objectives of the Company and there should be a proximity of the activity in question with the normal business activities of the Company;

- ii. There is a historical practice to carry out such activities;
- iii. The activity is a common commercial practice;
- iv. There is a pattern of frequency to conduct such activities over a period of time;
- v. The transaction is not an exceptional or extra ordinary activity;
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; It meets any other parameters / criteria as decided by the Audit Committee and / or Board of Directors of the Company.

“Policy”

It means this Related Party Transaction Policy as amended from time to time.

“Promoter or promoter group shall be deemed to be concerned or interested in any person, if they in any way, whether directly or indirectly”

- a. where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate: or
- b. where the person is a firm or other entity, the promoter(s) or the promoter group is a partner, owner or member, as the case may be.

“Related Party”

Related Party shall have the same meaning as assigned to it under the Companies Act, 2013 and LODR.

“Related party transaction”

Means related party transaction as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

“Relative”

Relative shall have the same meaning as assigned to it under the Companies Act, 2013

“Subsidiary”

It means a Company as defined under section 2(87) of the Companies Act, 2013 and as defined by Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements” and by Accounting Standard (AS) 18, “Related party disclosures”.

“Transaction”

With a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, including any amendment or modification thereof, as may be applicable.

4. POLICY

All Related Party Transactions, irrespective of its materiality shall require prior approval of the Audit Committee as provided by the Act, the Secretarial Standards and the Listing Regulations

5. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE

As per the terms of reference approved by the Board, the Audit Committee may grant omnibus approval for Related Party Transactions proposed by the Company or its Subsidiary.

The Audit Committee shall consider the following factors but not limiting to the below while specifying the criteria for granting omnibus approval:

- Nature of relationship with the related party;
- Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
- Method and manner of determining the pricing and other commercial terms;
- Whether the transaction is at arm's length and in the ordinary course of business;
- Relevant information specified under the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" notified vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 read with related circulars, clarifications, guidelines and notifications issued thereunder (as amended from time to time); and
- Any other information relevant or important to take a decision on the proposed transaction
 - i. Repetitiveness/ frequency of the transaction;
 - ii. Justification for the need of omnibus approval.
 - iii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company

Pursuant to Section 177 read with rule 6A of the Companies Act 2013 and Regulation 23 (3) (c) of the Listing Regulations as specified with respect to omnibus approval shall be disclosed by Company:

I. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,

II. the indicative base price / current contracted price and the formula for variation in the price, if any; and

III. such other conditions as the Audit Committee may deem fit;

IV. Limit on the omnibus approval: transaction value and overall limit.

Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one year.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking or part thereof of the Company.

6. MATERIALITY THRESHOLDS

Consolidated Turnover of the Company as per last audited financial statements	Threshold
Up to Rs. 20,000 Crores	10% of the annual consolidated turnover of the Company
More than Rs. 20,000 Crores and up to Rs. 40,000 Crores	Rs. 2,000 Crores + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crores
More than Rs. 40,000 Crores	Rs. 3,000 Crores + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crores or Rs. 5000 Crores, whichever is lower.

In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

7. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel is responsible for providing notice to the Board/Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Upon receipt of such notice, the CFO is authorised to determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The CFO shall be responsible for keeping a record of all Related Parties of the Company and the

transactions with all Related Parties at all times.

As regards transactions with Related Parties that require prior approval of the Board/Audit Committee, the CFO shall be responsible to notify the Board/Audit Committee of any such potential Related Party Transactions.

The notice of any potential Related Party Transaction shall be given well in advance to the Board/Audit Committee and shall also contain adequate information about the Related Party Transaction(s). This will provide the Board/Audit Committee members adequate time and information to consider and review the proposed transaction(s).

8. TRANSACTIONS REQUIRING APPROVAL OF AUDIT COMMITTEE:

- (1) All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee and only those members of the Audit Committee who are Independent Directors shall approve the Related Party Transactions in compliance with provisions of regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations.

Provided that a Related Party Transaction above Rupees One Crore to which the Subsidiary is a party, but the Company is not a party shall require prior approval of the Audit Committee only if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:

- i. 10% of the annual standalone turnover of the Subsidiary as per the last audited financial statements of the Subsidiary; or
- ii. the threshold for Material Related Party Transactions as specified.

Provided further that in the event of a Related Party Transaction above Rupees One Crore, to which the Subsidiary is a party but the Company is not a party and such Subsidiary does not have audited financial statements for a period of at least one year, prior approval of the Audit Committee shall be obtained if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:

- i. 10% of the aggregate value of paid-up share capital and securities premium account of the Subsidiary as on date, not older than three months prior to the date of seeking approval of the Audit Committee;
- ii. the threshold for Material Related Party Transactions as specified in clause 3.8.1.

- (2) Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary, subject to the conditions specified under regulation 23 (3) of the Listing Regulations.

- (3) The members of the audit committee, who are independent directors, may ratify related party

transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

(a) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

(b) the transaction is not material in terms of the provisions of this regulation

(c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(c) the details of ratification shall be disclosed along with the disclosures of related party Transactions to be submitted with the stock exchanges;

(e) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

Further, at the time of approval of any related party transaction, the management of the Company shall provide the Audit Committee with minimum information as stated below:

Transactions	Basis of Information
Below 1cr	As per Companies Act, 2013
1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower	As per SEBI circular dated 13th October, 2025
Above 10 Cr	As per ISF circular dated 26th June 2025

9. APPROVAL OF THE BOARD OF DIRECTORS

The Board shall consider and approve the RPT as required to be approved under the Act or rules made thereunder and/or SEBI Listing Regulations and/or transactions referred/recommended to it by the Audit Committee. Notwithstanding anything contained under the Act or under the SEBI Listing Regulations, all related party transactions shall also require the approval of the Board.

10. APPROVAL OF SHAREHOLDERS OF THE COMPANY

All material related party transactions and subsequent material modifications as defined by the audit committee under this Policy as per the regulations shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

Related Party Transactions exceeding the limits prescribed under the Act and not in the ordinary course of business and/or arm's length basis, shall require prior approval of the Board and shareholders as per the provisions of the Section 188 of the Act, respectively.

Once the contracts/arrangements are approved by the Audit Committee, transactions arising out of the same will be monitored by Chief Financial Officer continuously.

At the time of approval of any related party transaction, the management of the Company shall provide the shareholders with the minimum information as provided in SEBI Circular dated October 13, 2025 and if same exceeds the threshold the minimum information has to be provided in para -5 of ISF Standards on RPT.

11. APPLICABILITY AND AMENDMENT

The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any changes to the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee or the Board subject to the approval of Audit Committee. Audit Committee/Board will give suitable directions/guidelines to implement the same.

In the event, any provision contained in this Policy is inconsistent with the provision contained in the Regulations, the Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, ("Regulatory Acts"), the provisions contained in the Regulatory Acts will prevail.

12. DISCLOSURE AND REPORTING

Pursuant to the provisions of Section 189 of the Act, the Company shall maintain the Register of contracts or arrangements in which directors are interested.

Appropriate disclosures as required under the Act and the Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall submit to the stock exchanges disclosures of related party transactions in the manner and format as specified from time to time, and publish the same on its website, in accordance with Regulation 23 (9) of the Listing Regulations.

