SAHAJ DIGITAL LIMITED

(Formerly known as Jolly Plastic Industries Limited)

POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURES

1. PREAMBLE

Regulation 30(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “LODR Regulations”) requires every listed entity to make disclosure of any events or information which, in the opinion of its board of directors, is material.

Regulation 30(4)(ii) of the LODR Regulations requires the listed entity to frame a policy for determination of materiality, based on the criteria specified in that regulation, duly approved by its board of directors, and to disclose such policy on its website.

Accordingly, the Board of Directors (the “Board”) of Sahaj Digital Limited (the “Company”) has adopted this Policy for Determination of Materiality of Events or Information for Disclosure (the “Policy”).

2. PURPOSE AND OBJECTIVE

This Policy is framed to ensure the timely, adequate and accurate disclosure of information by the Company on an ongoing basis, so as to enable investors to make well-informed investment decisions, and to determine which events or information are material, having a bearing on the performance or operations of the Company or being price sensitive in nature.

This Policy shall be read with Regulation 30 and Schedule III of the LODR Regulations and with the circulars, master circulars and industry standards issued by the Securities and Exchange Board of India (“SEBI”) in that regard, and with the Company’s Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Any amendment to the LODR Regulations, to Schedule III thereto or to any circular or industry standard issued by SEBI shall apply to this Policy automatically with effect from the date on which it takes effect, and in the event of any inconsistency the provisions of the applicable law shall prevail.

3. DEFINITIONS AND INTERPRETATION

a. “Board” means the Board of Directors of the Company, as constituted from time to time.

b. “Company” means Sahaj Digital Limited.

c. “Key Managerial Personnel” or “KMP” has the meaning assigned to it in Section 2(51) of the Companies Act, 2013.

d. “Authorised KMP” means the key managerial personnel authorised by the Board under Clause 7 of this Policy for the purpose of determining the materiality of an event or information and for making disclosures to the stock exchange(s).

Words and expressions used in this Policy and not defined shall have the meanings assigned to them in the LODR Regulations and, in their absence, in the Companies Act, 2013 and the rules, notifications and circulars made or issued thereunder, as amended from time to time.

4. CATEGORIES OF EVENTS AND INFORMATION

Category A — Events arising from a decision of the Board

The events and information specified in Para A of Part A of Schedule III of the LODR Regulations which arise from a decision taken at a meeting of the Board shall be disclosed to the stock exchange(s) not later than thirty minutes from the closure of that meeting. These include, among others, the recommendation or declaration of dividend and any cancellation of dividend with reasons; the decision on buy-back of securities; any decision on fund raising proposed to be undertaken; the issue of bonus shares by capitalisation; the reissue of forfeited shares or securities and any other alteration of capital including calls; the financial results; and the decision on voluntary delisting.

Category B — Events deemed material (no test of materiality)

The events and information specified in Para A of Part A of Schedule III are deemed to be material and shall be disclosed without applying any test of materiality, within the timelines set out in Clause 6. These include, among others:

a. acquisitions, schemes of arrangement including amalgamation, merger, demerger or restructuring, and the sale or disposal of any unit, division or subsidiary;

b. the issuance or forfeiture of securities, split or consolidation of shares, buy-back, any restriction on transferability of securities, or alteration in the terms or structure of existing securities;

c. revision in credit rating(s);

d. agreements, including shareholder, joint venture and family settlement agreements to the extent that they impact the management or control of the Company, and agreements with media companies, which are binding and not in the normal course of business, and any revision, amendment or termination thereof, including agreements to which the Company is not a party but which impose restrictions or create liabilities upon it;

e. fraud or default by a promoter, key managerial personnel, director or the Company, or the arrest of a key managerial personnel, promoter or director, whether occurring within India or abroad;

f. change in directors, key managerial personnel, auditor and compliance officer, together with the detailed reasons for the resignation of an auditor, to be disclosed within twenty-four hours of receipt of such reasons, and, in the case of the resignation of an independent director, the detailed reasons and the confirmation that there is no other material reason other than those provided, to be disclosed within seven days of the resignation along with the resignation letter and the names of the listed entities in which the resigning director holds directorships;

g. the appointment or discontinuation of a registrar and share transfer agent;

h. resolution plans and restructuring in relation to loans or borrowings from banks or financial institutions, and any one-time settlement with a bank;

i. the admission of a winding-up petition filed by any party or creditor, and the events relating to the corporate insolvency resolution process of the Company as a corporate debtor under the Insolvency and Bankruptcy Code, 2016, from the filing and admission of the application through to the approval or rejection of the resolution plan and its salient features not involving commercial secrets;

j. notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them, and the proceedings of the annual general meeting and any extraordinary general meeting;

k. amendments to the memorandum and articles of association, in brief;

l. the schedule of analyst or institutional investor meets and the presentations made, and the audio or video recordings and transcripts of post-earnings or quarterly calls, the recordings to be made available on the website before the next trading day or within twenty-four hours of the conclusion of the call, whichever is earlier, and the transcripts within five working days of its conclusion;

m. the initiation of a forensic audit, by whatever name called, stating the name of the entity initiating it and the reasons where available, and the final forensic audit report on its receipt, together with the comments of the management, other than a forensic audit initiated by a regulatory or enforcement agency;

n. any action initiated or order passed, within India or abroad, by any regulatory, statutory, enforcement or judicial authority against the Company or its directors, key managerial personnel, promoter or subsidiary, in relation to the Company, and the imposition of any fine or penalty, in accordance with the thresholds in Clause 5.3;

o. voluntary revision of the financial statements or of the report of the Board under Section 131 of the Companies Act, 2013; and

p. such other events and information as are specified in Para A of Part A of Schedule III of the LODR Regulations, as amended from time to time.

Category C — Events subject to the test of materiality

The events and information specified in Para B of Part A of Schedule III shall be disclosed where they are determined to be material on the application of the test of materiality in Clause 5, within the timelines set out in Clause 6. These include, among others:

a. the commencement, or any postponement of the date of commencement, of commercial production or commercial operations of any unit or division;

b. change in the general character or nature of the business brought about by an arrangement for a strategic, technical, manufacturing or marketing tie-up, the adoption of a new line of business, or the closure of operations of any unit or division, whether in entirety or piecemeal;

c. capacity addition or product launch;

d. the award, receipt, amendment or termination of orders or contracts not in the normal course of business;

e. agreements, including loan agreements as a borrower, which are binding and not in the normal course of business, and any revision, amendment or termination thereof;

f. disruption of operations of any unit or division due to natural calamity, force majeure or events such as strikes and lockouts;

g. effects arising out of a change in the regulatory framework applicable to the Company;

h. litigation, disputes or regulatory action with impact;

i. fraud or default by a director other than a key managerial personnel, or by an employee of the Company;

j. options to purchase securities, including any employee stock option or employee stock purchase scheme;

k. the giving of any guarantee or indemnity or the becoming of a surety, by whatever name called, for any third party;

l. the granting, withdrawal, surrender, cancellation or suspension of any key licence or regulatory approval; and

m. any other information or event, including a major development likely to affect the business, which is exclusively known to the Company and which may be necessary to enable the holders of its securities to appraise its position and to avoid the establishment of a false market in such securities.

Where a disclosure has been made under Category A, B or C, the Company shall also disclose the material developments in relation to that event or information until it is resolved or closed, with relevant explanations.

5. TEST OF MATERIALITY

5.1 Quantitative criteria

An event or information shall be considered material where the value of the event or information, or the expected impact of the event or information in terms of value, exceeds the lower of the following:

a. two per cent. of turnover, as per the last audited consolidated financial statements of the Company;

b. two per cent. of net worth, as per the last audited consolidated financial statements of the Company, except where the arithmetic value of the net worth is negative; and

c. five per cent. of the average of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

5.2 Qualitative criteria

An event or information shall also be considered material where:

a. the omission of the event or information is likely to result in discontinuity or alteration of an event or information already available publicly;

b. the omission of the event or information is likely to result in a significant market reaction if it were to come to light at a later date; or

c. in the opinion of the Board or of the Authorised KMP, the event or information is material, notwithstanding that it does not meet the criteria in Clause 5.1.

5.3 Fines and penalties

The imposition of a fine or penalty of rupees one lakh or more by a sectoral regulator or an enforcement agency, and of rupees ten lakh or more by any other authority or judicial body, shall be disclosed within the timelines in Clause 6. Fines and penalties below these thresholds shall be disclosed on a quarterly basis in the format specified by SEBI.

5.4 Guidance

In applying the criteria in Clause 5.1, the Authorised KMP shall have regard to the guidance in the industry standards on Regulation 30 issued in consultation with SEBI, including the guidance as to which of the three parameters is appropriate for a given event, and to the SEBI master circular for listed entities, as amended from time to time.

6. TIMELINES FOR DISCLOSURE

Disclosure shall be made as soon as reasonably possible and in any event not later than:

a. thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information was taken;

b. twelve hours from the occurrence of the event or information, where the event or information is emanating from within the Company; and

c. twenty-four hours from the occurrence of the event or information, where the event or information is not emanating from within the Company.

Where the disclosure is made after the applicable timeline, the Company shall along with the disclosure provide an explanation for the delay. Where a specific timeline is prescribed in Schedule III for a particular event, that timeline shall apply.

7. AUTHORITY FOR DETERMINATION OF MATERIALITY

In terms of Regulation 30(5) of the LODR Regulations, the Board authorises the Managing Director or Whole-Time Director, the Chief Financial Officer and the Company Secretary and Compliance Officer, severally, as the Authorised KMP, to determine whether an event or information is material and to make the disclosures to the stock exchange(s). The contact details of the Authorised KMP shall be disclosed to the stock exchange(s) and on the website of the Company.

The Authorised KMP are further authorised, jointly and severally, to provide an adequate reply to any query raised by a stock exchange in respect of any event or information, and may on their own initiative confirm, deny or clarify any reported event or information.

8. VERIFICATION OF MARKET RUMOURS

To the extent applicable to the Company under Regulation 30(11) of the LODR Regulations, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information are circulating amongst the investing public, within twenty-four hours from the reporting of such event or information, and shall provide the current stage of such event or information where it confirms the same. The provisions relating to the unaffected price under Regulation 30(11) and Regulation 30A shall apply to the extent applicable.

9. DISCLOSURES RELATING TO SUBSIDIARIES

The Company shall disclose all events or information with respect to its subsidiaries which are material for the Company, and shall make the disclosures specified in Para A of Part A of Schedule III in relation to its material subsidiaries, in accordance with Regulation 30(9) of the LODR Regulations and the Company's Policy for Determining Material Subsidiary.

10. WEBSITE HOSTING AND RECORDS

This Policy shall be posted on the website of the Company. All disclosures made to the stock exchange(s) under this Policy shall be hosted on the website of the Company for a minimum period of five years and thereafter in accordance with the archival policy of the Company, as disclosed on its website.

11. REVIEW OF THE POLICY

This Policy shall be reviewed as may be considered necessary, and in any event upon any amendment to the LODR Regulations or any statutory modification, subject to the approval of the Board.