SAHAJ DIGITAL LIMITED

(Formerly known as Jolly Plastic Industries Limited)

RELATED PARTY TRANSACTION POLICY

1. PREAMBLE AND PURPOSE

Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") requires every listed entity to formulate a policy on the materiality of related party transactions and on dealing with related party transactions, including clear threshold limits duly approved by the Board of Directors.

Accordingly, the Board of Directors of Sahaj Digital Limited (the "Company") has adopted this Related Party Transaction Policy (the "Policy"), which sets out the procedure governing related party transactions to be followed by the Company so as to ensure compliance with the Listing Regulations and with Sections 177 and 188 of the Companies Act, 2013 (the "Act") and the rules made thereunder.

This Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly. The Audit Committee may review this Policy from time to time and propose to the Board of Directors such amendments as may be required. Any amendment to the Act or the Listing Regulations shall apply to this Policy automatically, and in the event of any inconsistency the provisions of the applicable law shall prevail.

2. DEFINITIONS

In this Policy, unless the context otherwise requires:

"Audit Committee" or **"Committee"** means the committee of the Board of Directors constituted under Section 177 of the Act and Regulation 18 of the Listing Regulations.

"Board" means the Board of Directors of the Company.

"Related Party" means a related party as defined under Section 2(76) of the Act or under the applicable accounting standards, and shall also include:

a. any person or entity forming part of the promoter or promoter group of the Company, irrespective of shareholding; and

b. any person or any entity, holding equity shares of ten per cent. or more in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time during the immediately preceding financial year;

provided that this definition shall not apply to units issued by mutual funds which are listed on a recognised stock exchange.

"Related Party Transaction" means a transaction involving a transfer of resources, services or obligations between the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand, regardless of whether a price is charged, and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract. The following shall not be a related party transaction: the issue of specified securities on a preferential basis subject to compliance with the applicable requirements; and the corporate actions listed in Regulation 2(1)(zc) of the Listing Regulations which are uniformly applicable to all shareholders in proportion to their shareholding, namely payment of dividend, subdivision or consolidation of securities, issue of securities by way of a rights issue or bonus issue, and buy-back of securities. The exclusions specified in Regulation 2(1)(zc) of the Listing Regulations, including retail purchases from the Company or its subsidiary by its directors or employees without establishing a business relationship, and the acceptance of current and savings account deposits by banks in compliance with the directions of the Reserve Bank of India, shall apply.

"Material Related Party Transaction" means a transaction with a related party, whether entered into individually or taken together with previous transactions during a financial year, which exceeds the threshold specified in Schedule XII of the Listing Regulations, as set out in Clause 4 of this Policy.

“Relative” means a relative as defined under Section 2(77) of the Act read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014, that is to say, a person related to another if they are members of a Hindu undivided family; if they are husband and wife; or if the one is related to the other as father (including step-father), mother (including step-mother), son (including step-son), son’s wife, daughter, daughter’s husband, brother (including step-brother) or sister (including step-sister).

“Key Managerial Personnel” means key managerial personnel as defined under Section 2(51) of the Act, namely the Chief Executive Officer or Managing Director or Manager; the Company Secretary; the Whole-Time Director; the Chief Financial Officer; such other officer, not more than one level below the directors, who is in whole-time employment and is designated as key managerial personnel by the Board; and such other officer as may be prescribed.

“Control” shall have the meaning assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and under Section 2(27) of the Act, as the context may require.

“Associate Company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary of the company having such influence, and includes a joint venture company. “Significant influence” means control of at least twenty per cent. of the total voting power, or control of or participation in business decisions under an agreement.

All terms used but not defined in this Policy shall have the meanings assigned to them in the Act or the Listing Regulations, as the case may be.

3. IDENTIFICATION AND DISCLOSURE BY DIRECTORS AND KEY MANAGERIAL PERSONNEL

3.1 Every Director shall, at the first meeting of the Board in every financial year and whenever there is any change in the disclosures already made, give notice in writing to the Company of his or her concern or interest in any company, body corporate, firm or other association of individuals, in Form MBP-1, in terms of Section 184 of the Act, and shall also furnish the list of relatives and entities which would be regarded as related parties in relation to the Company.

3.2 Each Director and Key Managerial Personnel shall give notice to the Company of any potential related party transaction in which he or she may be considered interested, sufficiently in advance to enable the Audit Committee to obtain and review information about the proposed transaction.

3.3 The Company Secretary shall maintain the register of contracts and arrangements in which directors are interested under Section 189 of the Act, and shall maintain and update the list of related parties of the Company and its subsidiaries.

3.4 The Audit Committee shall determine whether a transaction constitutes a related party transaction requiring compliance with this Policy.

4. MATERIALITY THRESHOLD

4.1 A related party transaction shall be considered material if the transaction or transactions to be entered into, whether individually or taken together with previous transactions during a financial year, exceed the threshold determined on the basis of the annual consolidated turnover of the Company as per its last audited financial statements, in accordance with Schedule XII of the Listing Regulations, namely:

a. where the annual consolidated turnover is up to Rs. 20,000 crore — ten per cent. of the annual consolidated turnover;

b. where the annual consolidated turnover is more than Rs. 20,000 crore and up to Rs. 40,000 crore — Rs. 2,000 crore plus five per cent. of the amount by which the turnover exceeds Rs. 20,000 crore; and

c. where the annual consolidated turnover is more than Rs. 40,000 crore — Rs. 3,000 crore plus two and a half per cent. of the amount by which the turnover exceeds Rs. 40,000 crore, subject to an overall ceiling of Rs. 5,000 crore.

4.2 Where the Company is a listed entity on the SME platform to which Regulation 23 of the Listing Regulations applies, a related party transaction shall be considered material if it exceeds Rs. 50 crore or ten per cent. of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

4.3 The Company shall apply whichever of Clauses 4.1 and 4.2 is applicable to it, having regard to the platform on which its specified securities are listed and to Regulation 15 of the Listing Regulations.

5. APPROVAL OF RELATED PARTY TRANSACTIONS

5.1 **Audit Committee.** All related party transactions, and any subsequent material modification thereof, shall require the prior approval of the Audit Committee. Only those members of the Audit Committee who are independent directors shall approve a related party transaction.

5.2 The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions specified in Regulation 23(3) of the Listing Regulations, including the specification of the criteria for such approval, the review of such transactions on at least a quarterly basis, and the validity of such omnibus approval for a period not exceeding one year, requiring fresh approval thereafter.

5.3 The Audit Committee shall, while considering a related party transaction, have regard to the minimum information required to be placed before it under the Listing Regulations and the industry standards on minimum information specified by the Securities and Exchange Board of India, and in particular to the name of the related party and the nature of the relationship; the nature, material terms, monetary value and particulars of the transaction; the manner of determining the pricing and whether the transaction is on an arm's length basis; the business rationale for the transaction; and any valuation or other external report relied upon.

5.4 **Subsidiaries.** In the event of a related party transaction above Rs. 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which a subsidiary of the Company is a party but the Company is not a party, the prior approval of the Audit Committee of the Company shall be obtained where the value of such transaction exceeds the lower of ten per cent. of the annual standalone turnover of the subsidiary as per its last audited financial statements, or the threshold for material related party transactions of the Company determined under Clause 4 of this Policy. Where such subsidiary does not have audited financial statements for a period of at least one year, the corresponding test shall be the lower of ten per cent. of the aggregate value of the paid-up share capital and securities premium account of the subsidiary, taken as on a date not older than three months prior to the date of seeking approval, or the said threshold of the Company.

5.5 **Board of Directors.** Where the approval of the Board of Directors is required under Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, or under any other applicable provision, or where the Audit Committee elects to refer the matter, the transaction shall be placed before the Board of Directors. Any Director who is interested in a related party transaction shall not be present at the meeting during discussion on the subject matter of the resolution, in terms of Section 184(2) of the Act.

5.6 **Shareholders.** All material related party transactions, and any subsequent material modification thereof, shall require the prior approval of the shareholders by way of a resolution, and no related party shall vote to approve such resolution, whether or not such related party is a party to the particular transaction. Approval of the shareholders shall also be obtained where required under Section 188 of the Act.

5.7 Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid up to the date of the next annual general meeting, for a period not exceeding fifteen months. Omnibus approval granted in a general meeting other than an annual general meeting shall be valid for a period not exceeding one year.

5.8 Any member of the Audit Committee or of the Board who has a potential interest in a related party transaction shall recuse himself or herself and abstain from the discussion and voting on the approval of that transaction.

6. TRANSACTIONS NOT REQUIRING APPROVAL

The requirement of prior approval under Clause 5 shall not apply to the transactions specified in Regulation 23(5) of the Listing Regulations, namely transactions entered into between two government companies; transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with those of the holding company and placed before the shareholders at the general meeting for approval; and transactions entered into between two wholly owned subsidiaries of the listed holding company whose accounts are consolidated with those of the holding company and placed before the shareholders at the general meeting for approval. The requirement of prior approval of the Audit Committee shall also not apply to any transaction involving the provision of remuneration or compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, or to any transaction in which the related party's interest arises solely from the ownership of securities issued by the Company where all holders of such securities receive the same benefits pro rata.

7. TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Where a related party transaction is entered into without having been approved under this Policy, the same shall be placed before the Audit Committee for review. The Audit Committee shall evaluate the transaction and may decide such action as it considers appropriate, including ratification within the limits permitted under the Listing Regulations, revision or termination of the transaction. The Audit Committee shall also determine whether any disclosure to the stock exchange(s) or any other consequential action is required.

8. DISCLOSURES

a. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act shall be disclosed in Form AOC-2 forming part of the Board's Report, together with the justification for entering into such contracts or arrangements.

b. The Company shall submit to the stock exchange(s) disclosures of related party transactions in the format specified by the Securities and Exchange Board of India, on the date of publication of its standalone and consolidated financial results for the relevant half year, and shall publish the same on its website.

c. The Company shall disclose the details of related party transactions in the quarterly compliance report on corporate governance and in the Annual Report, in accordance with the Listing Regulations and the applicable accounting standards.

d. This Policy shall be disclosed on the website of the Company, and a web link thereto shall be given in the Annual Report in accordance with the Listing Regulations.

9. COMMUNICATION AND REVIEW

This Policy shall be communicated to all Directors, Key Managerial Personnel, operational employees and other concerned persons of the Company. The Audit Committee shall review the statement of related party transactions on at least a quarterly basis, and shall place before the Board of Directors such reports as it considers appropriate. The statutory auditor and the internal auditor may bring to the notice of the Audit Committee any deviation observed in relation to transactions with related parties and other connected significant matters.