

BARFLEX POLYFILMS LIMITED

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Phase II, Near C Lal Chowk, New Delhi-110020
CIN: U25209DL2005PLC132346

CORPORATE GOVERNANCE POLICY



POLICY ON CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations and our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted too verse specific operational areas.

As on date of this policy, our Board has [06] Directors, comprising one Managing Director, one Whole Time Director, [one] Non Executive & Non Independent Director and [Three] Non Executive & Independent Directors. We have two Woman Director on our Board amongst these.

Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee
4. Corporate Social Responsibility Committee
5. IPO Committee

I. AUDIT COMMITTEE

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on May 13, 2024, as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The Audit Committee comprises of following members.

| Name of the Directors | Designation | Designation in Committee |
|-----------------------|------------------------------------|--------------------------|
| Anil Kumar Mittal | Non-Executive Independent Director | Chairman |
| Simran Sabharwal | Non-Executive Independent Director | Member |
| Jaiwant Bery | Managing Director | Member |

The Company Secretary and Compliance Officer of our Company shall act as secretary of the Audit Committee. The Chairman of the Audit Committee shall be present at the Annual General Meeting of our Company to furnish clarifications to the shareholders. The scope and function of the Audit Committee and its terms of reference shall include the following:

Terms of reference:

Role of Audit Committee

The scope of audit committee shall include, but shall not be restricted to, the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.



2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
5. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - a. Changes, if any, in accounting policies and practices and reasons for the same;
 - b. Major accounting entries involving estimates based on the exercise of judgment by management;
 - c. Significant adjustments made in the financial statements arising out of audit findings;
 - d. Compliance with listing and other legal requirements relating to financial statements;
 - e. Disclosure of any related party transactions;
 - f. Qualifications in the draft audit report.
6. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
8. Review and monitor the auditor's independence, performance and effectiveness of audit process.
9. Approval or any subsequent modification of transactions of our Company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of our Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors any significant findings and follow up there on.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified 177(4) of Companies Act 2013 or referred to it by the Board.
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20. To review the functioning of the Whistle Blower mechanism.
21. Approval of appointment of CFO (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of Audit Committee

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary; and
5. Such other powers as may be prescribed under Companies Act and SEBI LODR Regulations.

Review of information by Audit Committee



The audit committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations.
6. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
7. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
8. Review the financial statements, in particular, the investments made by any unlisted subsidiary.

Quorum and Meetings

The Audit Committee shall meet at-least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee, whichever is greater, but there shall be minimum of two independent members present.

Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated May 13, 2024. The constituted Stakeholders Relationship Committee comprises of following members:

| Name of the Directors | Designation | Designation in Committee |
|------------------------------|------------------------------------|---------------------------------|
| Anil Kumar Mittal | Non-Executive Independent Director | Chairman |
| Simran Sabharwal | Non-Executive Independent Director | Member |
| Jaiwant Bery | Managing Director | Member |

The Company Secretary of our Company shall act as Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

Terms of Reference

Redressal of shareholders' and investors' complaints, including and in respect of:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc
2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed of the Company, and
5. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

Quorum and Meetings

The Stakeholders Relationship Committee is required to meet at least once a year. The quorum shall be two members present.

Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of



Board and its Powers) Rules, 2014 (as amended) vide board resolution dated May 13, 2024. The Nomination and Remuneration Committee comprises of following members:

| Name of the Directors | Designation | Designation in Committee |
|-----------------------|--|--------------------------|
| Anil Kumar Mittal | Non-Executive Independent Director | Chairman |
| Simran Sabharwal | Non-Executive Independent Director | Member |
| Nomita Bery | Non-Executive Non-Independent Director | Member |

Terms of Reference

The scope and function of the committee and its terms of reference shall include but not restricted to the following:

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee

Quorum and Meetings

The meetings of the Committee shall be held at least once in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be at-least one independent director present.

Corporate Social Responsibility Committee

Our Company has re-constituted the Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Board resolution dated May 13, 2024. The Corporate Social Responsibility Committee comprises the following:

| Name of the Directors | Designation | Designation in Committee |
|-----------------------|------------------------------------|--------------------------|
| Simran Sabharwal | Non-Executive Independent Director | Chairperson |
| Jaiwant Bery | Managing Director | Member |
| Krishan Mohan Pandey | Wholetime Director | Member |

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

- 1) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;



- 2) To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
- 3) To institute a transparent monitoring mechanism for the implementation of the CSR projects;
- 4) Any other matter of CSR Committee may deem appropriate.

Policy on disclosures and internal procedure for prevention of Insider Trading

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on May 10, 2023 have approved and adopted the policy for prevention of insider trading. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

IPO Committee

Our Company has constituted IPO Committee in its Board Meeting held on May 13, 2024 as per the applicable laws. The committee comprises of following members:

| Name of the Directors | Designation | Designation in Committee |
|------------------------------|----------------------|---------------------------------|
| Anil Kumar Mittal | Independent Director | Chairman |
| Simran Sabharwal | Independent Director | Member |
| Jaiwant Bery | Managing Director | Member |

The scope and function of IPO committee and its terms of reference shall include the following:

Terms of reference:

Role of IPO Committee

1. the IPO Committee has been constituted to decide the terms and conditions of the Issue, finalisation and filing of the Draft Red Herring Prospectus and this Red Herring Prospectus and any amendments, supplements, notices, addendum or corrigenda thereto with Securities Exchange Board of India, the Stock Exchange and other regulatory bodies as may be required;
2. Submitting undertaking/certificates or providing clarifications to the Stock Exchange;
3. handle all matter relating to appointment of intermediaries in relation to the IPO entering into the agreement with them;
4. issuing advertisements as it may be required in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations and other Applicable Laws;
5. approving suitable policies by the Board or the IPO Committee or as may be required under any Applicable Laws in connection with the offering under IPO;
6. seeking, if required, the consent of the with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO;
7. deciding on allocation of the equity shares to specific categories of persons;
8. opening of bank accounts, securities premium account, escrow or custodian accounts as are required under Applicable Laws;
9. submitting applications and seeking listing of Equity Shares with the Stock Exchange and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchange;
10. determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation in consultation with the book running lead manager, the Stock Exchange and/or any other entity;
11. determining the price at which the Equity Shares are to be offered to the investors;
12. settling difficulties and doubts arising in relation to the IPO;
13. empowering the Authorized Officer(s) to enter into and execute any agreements or arrangements as well as amendments and supplements thereto in relation to the IPO including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar's agreement, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the escrow agreement, confirmation of allocation



- notes, the advertisement agency agreement and any undertakings and like or reimburse expenses incurred in connection with the Issue, the book running lead manager, market maker, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, and all such persons or agencies as may be involved in or concerned with the IPO including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officers and the Company in so doing;
14. authorizing the Authorized Officer(s) to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the IPO, including, without limitation, applications to, and clarifications or approvals from the RoC, the Stock Exchange and any other regulatory authority and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer(s) and the Company, as the case may be;
 15. Severally authorizing Mr. Jaiwant Bery, Managing Director of the Company, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officers may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions of the IPO; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers shall be conclusive evidence of the authority of such Authorized Officers and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officers prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officers and the Company, as the case may be; and
 16. to issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents; and
 17. carry out all acts and take all decisions as may be necessary for the purposes of the IPO and listing.

The quorum for the committee meeting shall be the presence of any 2 (two) of the members.



