

BARFLEX POLYFILMS LIMITED

Regd. Office: A-33 Third Floor FIEE Complex, Okhla Industrial Area,

Phase II, Near C Lal Chowk, New Delhi-110020

CIN: U25209DL2005PLC132346

MATERIALITY POLICY



MATERIALITY POLICY

BACKGROUND

This policy ("**Policy**") has been formulated to define the materiality criteria for identification of material litigation, material group companies and outstanding dues to material creditors in respect of the Issuer for the purposes of relevant disclosures in the Offer Document (DRHP/RHP/ Prospectus) prepared for initial public offering pursuant to the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) ("**SEBI ICDR Regulations**").

The Board has approved the Policy in its meeting held on 13th May 2024.

IDENTIFICATION OF 'MATERIAL' LITIGATION

Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall disclose all the litigations involving the Company/its directors/promoters/promoter group entity in relation to:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges during the previous five financial years including any outstanding action thereon;
- (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
- (v) Other pending litigation - As per the policy of materiality defined by the Board of the Issuer and disclosed in the DRHP/ RHP/Prospectus.

Policy on materiality:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoter, Directors, or Promoter Group Entity, as the case may be shall be deemed to be material;
- b) All pending litigation involving our Company, Promoter, Directors, or Promoter Group Entity as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) if the amount involved in such individual litigation exceeds 1% of profit after tax of the Company as per the latest audited or restated financial statement or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Promoter Group Entity, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at www.barflex.co.in
- c) Any notice received by our Company, Promoter, Directors, or Promoter Group Entity, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Promoter Group Entity, as the case may be, are impleaded as parties in proceedings before any judicial forum.



IDENTIFICATION OF 'MATERIAL' CREDITORS

Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall make relevant disclosures in the Offer Document for outstanding dues to creditors:

- i. Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved;
- ii. Based on the policy on materiality defined by the board of directors of the issuer, complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor. This list shall also be disclosed, on the website of the company with a web link thereto.

Policy on materiality for Creditors:

The Board recommend and approve policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the Company's trade payables as per the latest audited or restated financial statements.

DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e www.barflex.co.in

