MATERIALITY POLICY

This materiality policy ("**Policy**") has been formulated to define the materiality thresholds in respect of Bindawala Banijya Limited (the "**Company**"), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) ("**SEBI ICDR Regulations**"), in respect of identification of 'material' litigations.

APPLICABILITY

The board of directors of the Company ("**Board**") at their meeting held on 29th July, 2025 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

"**Offer Documents**" means the red herring prospectus and the prospectus (each along with any addenda or corrigenda, thereto) to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, the Registrar of Companies, West Bengal at Kolkata and the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this policy shall have the same meanings ascribed to such terms in the Offer Documents.

Identification and disclosure of legal proceedings involving the Relevant Parties, Key Managerial Personnel and Senior Management, including 'material legal proceedings' involving the Relevant Parties

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company must disclose the following outstanding litigation involving the Company, its subsidiaries, directors and/or promoter(s) (collectively "**Relevant Parties**"):

(i) all outstanding criminal proceedings (including matters at FIR stage where no/some cognizance has been taken by any court);
(ii) all outstanding actions (including all outstanding penalties and show cause notices) by regulatory authorities and statutory authorities;
(iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter(s) in the last five financial years preceding the relevant Offer Document including outstanding action;
(iv) all outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount involved in such cases; and
(v) other pending litigations or arbitration proceedings- as per policy of materiality defined by the Board.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact on the Company.

Additionally, in accordance with the SEBI ICDR Regulations, the Company shall also disclose the following outstanding legal proceedings in the Issue Documents: (i) all criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court or any other judicial authority) involving the Key Managerial Personnel and Senior Management of the Company; and (ii) all actions (including all penalties and show-cause notices) by regulatory and statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities) against the Key Managerial Personnel and Senior Management of the Company.

For the purposes of (i) and (ii) above, pre-litigation notices received by any of the Relevant Parties Key Managerial Personnel and Senior Management from third parties (excluding those notices issued by statutory / regulatory / governmental / tax / judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, Key Managerial Personnel and Senior Management as applicable, are impleaded as defendants in litigation proceedings before any judicial forum.

***Material Civil Litigation*:**

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Relevant Parties, in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"), would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

(a) the monetary amount of claim/dispute, to the extent quantifiable, involved in any such outstanding litigation is equivalent to or in excess of (i) 2% of turnover for the most recent completed financial year; or (ii) 2% of net worth for the most recent financial period, or (iii) 5% of average absolute value of profit or loss after tax for the last three Fiscals, whichever is lower, as per the [restated financial information] included in the Offer Documents; or

For the purpose of clause (iii) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

(b) any outstanding litigation, where the monetary impact is not quantifiable or does not exceed the threshold mentioned in point (a) above, but an adverse outcome of which would materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation or where a decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the materiality threshold in (a) above, even though the amount involved in the individual cases may not exceed such materiality threshold.

(c) Any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, performance or financial position or reputation of the Company. For the purposes of the above, pre-litigation notices received by such group companies from third parties shall not be considered material until such time that such group company is impleaded as a defendant in litigation before any judicial or arbitral forum

GENERAL

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or additional disclosures that may arise on account of any investor or other complaints.

This policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.