

POLICY ON IDENTIFICATION OF MATERIAL CREDITORS

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of outstanding dues to material creditors in respect of BMW Ventures 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 may be amended from time to time (“SEBI ICDR Regulations”).

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the ‘Policy on Identification of Material Creditors’ (“Policy”).

The Board of Directors of the Company (“Board”) at their meeting held on March 25, 2025 discussed and approved this Policy. This Policy shall be effective from the date of approval by the Board.

The Company has adopted this Policy for identification and determination of material creditors; pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Draft offer documents/Offer Document.

In this Policy, the term “Draft offer documents/Offer Document” shall mean the Draft Red Herring Prospectus and the Red Herring Prospectus/Prospectus 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, Registrar of Companies, Patna (“ROC”) and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalized terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Draft offer documents/Offer Document.

In this Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa;
- (ii) References to the words “include” or “including” shall be construed without limitation.

C. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL CREDITORS

The Materiality Policy with respect to the identification of the material creditors shall be as follows:

Identification of Material Creditors

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Draft offer documents/Offer Document for outstanding dues to creditors:

- (i) Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Draft offer documents/Offer Document, disclosure for such creditors which include the consolidated number of creditors and the aggregate amount involved;



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- (ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- (iii) Complete details about outstanding over dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Draft offer documents/Offer Document.

Policy on materiality:

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Draft offer documents/Offer Document, if amounts due to such creditor exceeds 5% of the total trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Draft offer documents/Offer Document.

Disclosures in the Draft offer documents/Offer Document regarding material creditors

- (i) For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Draft offer documents/Offer Document along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated financial statements included in the Draft offer documents/Offer Document.
- (ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Draft offer documents/Offer Document in the following manner:
 - a. aggregate amounts due to such MSME creditors; and
 - b. aggregate number of such MSME creditors.

as on the date of the latest restated consolidated financial statements included in the Draft offer documents/Offer Document

- (iii) Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed in the Draft offer documents/Offer Document.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time.

D. AMENDMENT

The Managing Director of the Company shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

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Bijay Kumar Lumbay

Identification of Material Litigation

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its group companies, Subsidiaries, its promoters and directors related to:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- (iv) Other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Draft Offer Document/offer documents;
- (v) Other pending litigations based on lower of threshold criteria mentioned below—

Outstanding litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- a. 2% of turnover, as per the latest annual restated financial statements of the Company; or
- b. 2% of net worth, as per the latest annual restated consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
- c. 5% of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the Company.

Policy on materiality:

For the purpose of point no (iv) above, any other pending litigation involving the Company, its promoters, directors, Subsidiary and group companies shall be considered “material” for the purpose of disclosure in the Draft Offer Document/offer documents:-

- (a) if the aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds (i) 2% of turnover, as per the latest annual Restated Financial Statements of our Company; or (ii) 2% of net worth, as per the latest annual Restated Financial Statements of our Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three annual Restated Financial Statements of our Company, whichever is lower; or
- (b) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of our Company; or
- (c) any claim/dispute involving the Relevant Parties where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the amount equivalent to 5% of the average of absolute value of profit or loss after tax, as per the last three annual Restated Financial Statements of our Company.



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