POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION
OF
SHERA ENERGY LIMITED

{Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

1. LEGAL FRAMEWORK

1.1. This Policy has been formulated in accordance SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 as amended from time to time, with respect to disclosure of material events and information. This Policy shall be effective from the date of approval of the policy by the Board of Directors of the Company ("Board").

1.2. The Board shall review, and if found required, may amend this Policy from time to time.

2. OBJECTIVE

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised KMP or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the BSE Limited, the National Stock Exchange of India Limited ("Stock Exchanges") and SEBI**.** All provisions of Regulation 30 read with Schedule III of the SEBI LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

3. DEFINITION

In this Policy, unless the context otherwise requires:

i. **"Act"** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.

ii. **"Board"** means the Board of Directors.

iii. **"Company"** means **"Shera Energy Limited".**

iv. **"Key Managerial Personnel" or "KMP"** means key managerial personnel as defined under sub-section (51) of section 2 of the Act.

v. **"Senior Management Personnel" or "SMP"** means senior management as defined under clause (d) of sub-regulation (1) of regulation 16 of SEBI LODR Regulations.

vi. **"SEBI LODR Regulations"** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii. **"Net Worth"** shall have the meaning assigned to it in Section 2(57) of the Act.

viii. **"Policy"** means this Policy of Determining Materiality of Events.

ix. **"SEBI"** means the Securities and Exchange Board of India.

x. **"Rules"** means the rules made under the Act.

xi. **"Stock Exchanges"** means BSE and NSE.

xii. **"Turnover"** shall have the meaning assigned to it in Section 2(91) of the Act.

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 and the Securities Contracts (Regulation) Act, 1956.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the SEBI LODR Regulations (as applicable from time to time) ("Para A Events") without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the SEBI LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular. The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the SEBI LODR Regulations ("Para B Events") subject to application of guidelines for materiality, as set out under the SEBI LODR Regulations.

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events or information pertaining to itself or to its subsidiaries, specified in Para B Events subject to application of guidelines for materiality, as set out under the SEBI LODR Regulations.

6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

a) 2% (two per cent) of consolidated Turnover, as per the last audited consolidated financial statements of the Company; or

b) 2% (two per cent) of consolidated Net Worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the Net Worth is negative); or

c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular. or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

Qualitative criteria would mean an event/ information:

a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

c) any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

7. <u>GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE</u>

7.1. The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

a) depends upon the stage of discussion, negotiation or approval; and

b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 7(a), the events/information can be said to have occurred upon receipt of approval of the Board, e.g. further issue of capital by rights issue and in certain events/information after receipt of approval of both i.e. the Board and shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board, pending shareholder's approval. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this policy.

In respect of the events under 7(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include promoters of the Company.

8. AUTHORIZE KMP FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGES

A Disclosure Committee comprising of the following KMPs and officers of the Company are hereby authorized for the purpose of determining materiality of an event or information, evaluating whether an event/ information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines (**"Authorized Person(s)"**):

a) Managing Director
b) Chief Financial Officer
c) Company Secretary and Compliance Officer

The materiality of events/ information outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person(s) should exercise his/her own independent judgement while assessing the materiality of events associated with the Company. The Disclosure Committee may also, as a collective, consult the Chairman or any other Director of the Company while assessing the materiality of an event or information, and for evaluating whether the event/ information requires a Stock Exchange Disclosure.

Details of the above referred KMPs and officers shall be also disclosed to the Stock Exchanges and as well as on the Company's website.

9. DISCLOSURE

9.1. All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

a) For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;

b) For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;

c) For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.

i. In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

ii. The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

10. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the SEBI LODR Regulations.

11. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI LODR Regulations, as amended from time to time, the SEBI LODR Regulations shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

12. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company.

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