POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS OF SHERA ENERGY LIMITED

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

1. INTRODUCTION

1.1. The Policy on Identification of Group Companies, Material Creditors and Material Litigation ("Policy") has been formulated to define the materiality policy for identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Shera Energy Limited ("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"). This Policy for determination of materiality of an event or information has been approved by the Board of Directors ("Board") of the Company effective from 4th June, 2025.This Policy shall be effective from the date of approval of the policy by the Board of Directors of the Company ("Board").

2. PURPOSE

The purpose of the policy is:

a. Identification of the 'material' companies to be disclosed as group companies of the Company;
b. Identification of the 'material' outstanding litigation (in addition to all criminal proceedings and actions by statutory/ regulatory authorities) involving the Company, its promoters, subsidiaries, and directors ("Relevant Parties");
c. Identification of the 'material' creditors of the Company.

3. DETERMINATION OF MATERIALITY

A. Identification of the 'material' companies to be disclosed as group companies of the Company

In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the term 'Group Companies' includes (i) such companies (other than promoters and subsidiaries) with which the issuer company has had related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of the issuer company.

Policy on materiality

The following companies shall be considered as 'Group Companies' of the Company: (i) such companies (other than the promoters) with which there were related party transactions, during the period for which financial information is disclosed; and (ii) any other companies as may be considered 'material' by our Board.

B. Identification of the Material Litigation

In accordance with the SEBI ICDR Regulations, the following outstanding litigation involving the issuer company, its promoters, directors and subsidiaries shall be disclosed in the Information Memorandum:

a) all criminal proceedings;
b) all actions by regulatory and statutory authorities;
c) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action
d) claims related to direct and indirect taxes in a consolidated manner, giving the number of cases and total amount involved; and
e) Other material outstanding litigation - As per the materiality policy defined by the Board of the issuer company and disclosed in the Information Memorandum.

Policy on materiality

The following litigations are to be considered material:

I. Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
   (i) two percent of turnover, as per the latest annual consolidated financial statements of the issuer; or
   (ii) two percent of net worth, as per the latest annual consolidated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or
   (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three annual consolidated financial statements of the issuer;

C. Identification of the 'material' creditors of the Company

As per the requirements of the SEBI ICDR Regulations, the issuer company shall make relevant disclosures in the Information Memorandum and on its website for outstanding dues to creditors as follows:

(i) based on the policy on materiality defined by the Board of the issuer company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved;
(ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and aggregate amount involved; and
(iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the issuer company with a web link thereto in the Information Memorandum.

Policy on Materiality

For identification of material creditors, such creditors of the Company, shall be considered to be material for the purpose of disclosure on the website of the Company, if amount dues exceeds 5% of Outstanding Trade Payables as per the Stub Period and Latest Financial Year Standalone Financial Statements.

D. AMENDMENT

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

E. General

In the event of any conflict between the provisions of this Policy and the act or regulations or any other statutory enactments or rules, the provisions of such act or regulations or statutory enactments or rules shall prevail over this Policy. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, such amendment(s), clarification(s), circular(s)etc. shall prevail upon the relevant provisions of this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s)etc.

4. DISCLOSURE OF THE POLICY

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

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