POLICY ON RELATED PARTY TRANSACTIONS OF SHERA ENERGY LIMITED

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

1. SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation 23"), "Shera Energy Limited" ("Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. Also, Regulation 23(1) of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of Audit Committee. Going forward, the Audit Committee will review and amend the policy, as and when required, subject to adoption by the Board of Directors.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to establish a framework for the identification, approval, review, monitoring and reporting of Related Party Transactions in accordance with the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and other applicable laws. The Policy aims to ensure that Related Party Transactions are conducted in a transparent manner, at arm's length, in the ordinary course of business, wherever applicable, and in the best interests of the Company and its stakeholders.

3. DEFINITIONS

"Act" means the Companies Act, 2013;

"Regulation 23" means the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Arms Length Transactions" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest;

"Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities which the Company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;

"Company" means Shera Energy Limited;

"Relative" with reference to a Director or KMP mean persons as defined in Section 2(77) of the Act and rules prescribed there under;

"Related party" have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015;

"Related Party Transaction" shall have the meaning assigned to it under Regulation 2(1)(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and shall also include transactions covered under Section 188 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable.

Unless otherwise specified in this Policy, all words and expressions used herein and not defined shall have the meanings respectively assigned to them under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable laws, as amended from time to time.

"Material Related Party Transaction" means a Related Party Transaction or transactions to be entered into individually or taken together with previous transactions during a financial year, which exceeds **₹50 crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower**, or such other threshold as may be prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Industry Standards" shall mean the Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" as notified by SEBI vide its various circulars issued from time to time.

"Material Modification" means any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be or any modification that renders the transaction less favourable to the Company.

"**Key Managerial Personnel"** or **"KMP"** shall have the meaning as defined in the Companies Act, 2013. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

4. MATERIALITY THRESHOLDS

Regulation 23 of SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at Rupees fifty crore or ten per cent of the Annual Consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower for the purpose of Regulation 23(4) of the SEBI Listing Regulations.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

Identification of Related Parties

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations. The Company shall maintain an updated database of Related Parties based on disclosures received from Directors, KMPs and other applicable persons.

Identification of Related Party transactions

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

All business units/functional heads shall ensure timely identification of RPTs and place them before the Audit Committee wherever applicable.

6. FACTORS TO BE CONSIDERED WHILE APPROVING RELATED PARTY TRANSACTIONS

While considering any Related Party Transaction for approval, the Audit Committee shall, inter alia, take into account the following factors, to the extent relevant:

a) Whether the proposed transaction is in the ordinary course of business;
b) Whether the transaction is on an arm's length basis;
c) Whether the terms of the transaction are fair, reasonable and in the best interests of the Company;
d) The business rationale and commercial necessity for entering into the transaction;
e) The benefits expected to accrue to the Company from the transaction;
f) The nature, material terms, value and duration of the transaction;
g) Whether the transaction would result in any conflict of interest or adversely affect the interests of the Company or its shareholders, particularly minority shareholders; and
h) Any other factor or information that the Audit Committee may consider relevant in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws.

7. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

Approval of the Audit Committee

A. The Related Party Transactions shall be approved by only those members of Audit Committee, who are Independent Directors as per Listing Regulations. All related party transactions require prior approval of the Audit Committee. The Audit Committee shall also review and approve Related Party Transactions of the Company's subsidiary(ies), including subsequent material modifications thereto, wherever such approval is required under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

   However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

a) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:

i. Maximum value of transaction, in aggregate, which can be allowed under the omnibus route in a year;
ii. The maximum value per transaction which can be allowed;
iii. Extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval;
iv. Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
v. Transactions which cannot be subject to the omnibus approval by the Audit Committee.

b) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:-
   i. Repetitiveness of the transactions (in past or in future);
   ii. Justification for the need of omnibus approval

c) The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

d) The omnibus approval shall provide details of
   i. the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into,
   ii. basis of arriving at the indicative base price/current contracted price and the formula for variation in the price, if any, and
   iii. such other conditions as the Audit Committee may deem fit

Provided that where the need for related party transactions cannot be foreseen and above details are not available, Audit Committee may grant omnibus approval for such transactions in accordance with applicable laws.

e) The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the company pursuant to the omnibus approval given;

f) Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year;

g) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company;

h) Any other conditions as the Audit Committee may deem fit.

Where any Related Party Transaction is entered into without obtaining prior approval of the Audit Committee, the Audit Committee may ratify such transaction or any subsequent material modification thereto, subject to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. While considering ratification, the Audit Committee shall take into account the nature of the transaction, the reasons for not obtaining prior approval and such other factors as it may consider appropriate.

B. In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:

   a) The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 25% of the annual consolidated turnover of the company as per last audited financial statements;
   b) The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in Clause 4 of the Policy;

Every proposal for approval of a Related Party Transaction placed before the Audit Committee shall be accompanied by such information and documents as may be required under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable SEBI Circulars and the Industry Standards, as amended from time to time, to enable the Audit Committee to take an informed decision.

APPROVAL OF BOARD OF DIRECTORS OF THE COMPANY

As per the provision of Section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval. The Board may, wherever considered necessary, obtain an independent valuation report or external professional opinion before approving a Related Party Transaction.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval.

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval;
- Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

APPROVAL OF THE SHAREHOLDERS OF THE COMPANY

All Material RPTs and subsequent material modifications as defined in this Policy require prior approval of the shareholders through a resolution.

All entities falling under the definition of "related parties" shall not vote to approve such resolution whether the entity is a party to the particular transaction or not.

The notice convening the general meeting seeking approval of the shareholders for a Material

Related Party Transaction or a material modification thereto shall contain such information as may be required under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable Secretarial Standards and the Industry Standards, as amended from time to time, including, inter alia:

a) the name of the related party and its relationship with the Company;
b) the nature, duration, material terms and particulars of the proposed transaction;
c) the value of the transaction and the percentage of the Company's annual consolidated turnover represented by such transaction, wherever applicable;
d) the rationale and business purpose of the transaction;
e) the manner of determining the pricing and other commercial terms, including whether the transaction is at arm's length;
f) any other information as may be required under the applicable laws or considered necessary for the shareholders to take an informed decision.

The Company shall place all the information, as specified in Industry Standards/ SEBI Circular, as applicable, read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for RPTs as applicable.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Where the Audit Committee does not ratify a Related Party Transaction, it may, after considering all relevant facts and circumstances, direct such action as it deems appropriate, including revision, discontinuation or placing the matter before the shareholders, wherever required. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including revision, modification or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this policy and the failure of internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

The provisions relating to approval of Related Party Transactions under this Policy shall not apply to the following transactions, to the extent exempted under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time:

a) issue of specified securities on a preferential basis, subject to compliance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
b) payment of dividend;
c) subdivision or consolidation of securities;

d) issuance of securities by way of rights issue or bonus issue;
e) buy-back of securities;
f) acceptance of fixed deposits by banks or non-banking financial companies at the terms uniformly applicable to all shareholders or the public, subject to applicable laws; and
g) such other transactions as may be exempted from the applicability of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law from time to time.

DISCLOSURES

The Company shall make such disclosures relating to Related Party Transactions as are required under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable Accounting Standards, the Secretarial Standards and other applicable laws, as amended from time to time.

The Company shall, inter alia:
a) disclose Related Party Transactions to the Stock Exchanges within the prescribed timelines;
b) disclose the details of Related Party Transactions in the Annual Report, including the Corporate Governance Report, wherever applicable;
c) disclose this Policy on the website of the Company; and
d) maintain such registers, records and documents as may be required under the applicable laws.

REVIEW OF THE POLICY

This Policy shall be reviewed by the Board of Directors at least once every **three years** or earlier, if considered necessary, to ensure its continued compliance with the applicable laws and regulatory requirements.

INTERPRETATION AND AMENDMENT

In the event of any inconsistency between this Policy and the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law, the provisions of such applicable laws shall prevail.

Any statutory amendment, modification or re-enactment to the applicable laws shall automatically apply to this Policy, and the relevant provisions of this Policy shall be deemed to be modified accordingly, without requiring any further approval of the Board, unless otherwise required under the applicable laws.

COMPLIANCE RESPONSIBILITY

Compliance of this policy shall be the responsibility of the Officers of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

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Sl. No. Version	Effective Date	Board Meeting dates	Reason for changes
1.1	08.08.2022	08.08.2022	Adopted as per SEBI LODR Regulations
1.2	28.05.2025	28.05.2025	Revision in SEBI (LODR) Regulations, 2015
1.3	10.04.2026	10.04.2026	Revision in SEBI (LODR) Regulations, 2015