

PROJECT ENERGY | MATERIALITY POLICY**INTRODUCTION**

This document outlines the policy in connection with the identification of: (i) outstanding ‘material’ litigation involving Deon Energy Limited (“**Company**”), its subsidiaries, its directors, its promoters (collectively referred as “**Relevant Parties**”), its key managerial personnel and its senior management and outstanding litigation involving the group companies of the Company which have a material impact on the Company; (ii) determination of companies considered to be material to be disclosed as group companies; and (iii) determination of ‘material’ creditors of the Company for disclosure in the Offer Documents (*defined hereinafter*), in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) (“**Policy**”).

APPLICABILITY

The board of directors of the Company (“**Board**”) at their meeting held on September 22, 2026 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the term “**Offer Documents**” shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus (along with any addenda or corrigenda thereto), as the case may be, in connection with the proposed initial public offering of the equity shares of the Company, to be filed with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Gujarat at Ahmedabad and the Stock Exchanges where the Equity Shares are proposed to be listed and/or any other authorities, as applicable.

All capitalised terms not specifically defined in this Policy shall have the same meaning as ascribed to such terms in the Offer Documents.

I. Policy for identification and disclosure of litigations and other matters*Requirement:*

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation in the Offer Documents:

- (i) All criminal proceedings (including first information report irrespective of any cognizance taken by any court or not) involving the Relevant Parties, key managerial personnel and senior management;
- (ii) All actions taken/ penalties imposed by statutory and/ or regulatory authorities involving the Relevant Parties, key managerial personnel and senior management;
- (iii) Disciplinary actions including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years preceding the Offer Document, including outstanding actions;
- (iv) Claims related to direct and indirect taxes involving the Relevant Parties, in a consolidated manner, giving details of the number of cases and total amount involved in such cases; and
- (v) Other pending litigations (including civil litigation or arbitration proceedings) involving the Relevant Parties based on lower of threshold criteria mentioned below:
 - (a) As per the policy of materiality defined by the board of directors of the Company and as disclosed in the Offer Documents; or
 - (b) 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 restated consolidated financial statements included in the Offer Documents;

- ii. two percent of net worth, as per the latest annual restated consolidated financial statements included in the Offer Documents, 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 restated consolidated financial statements included in the Offer Documents.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation (including civil litigations or arbitration proceedings) involving the group companies which has a material impact on the Company.

Policy on materiality:

Other than litigations mentioned in points I (i) to (iv) above, any other pending litigation involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

- (i) *Monetary threshold:* The monetary amount of claim or amount involved in a litigation by or against the Relevant Parties in any such pending civil and arbitration proceedings exceeds (i) 2% of turnover, as per the latest annual restated consolidated financial statements of the Company; or (ii) 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 (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three [annual restated consolidated financial statements of the Company, whichever is lower.
- (ii) *Subjective threshold:* Such pending matters which are not determinable or quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the monetary threshold.
- (iii) The Company will also disclose any findings/observations of any of the inspections by SEBI or any other regulator involving the Company, which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision.
- (iv) *Tax matters:* In the event any tax matters involve an amount exceeding the monetary threshold proposed in (i) above, in relation to the Relevant Parties, individual disclosures of such tax matters will be included in addition to the requirements set out in I (iv) above.

It is clarified that for the purpose of the litigation approach, unless otherwise decided by the board of directors of the Company, pre-litigation notices received by the Company, its subsidiaries, its promoters, its directors, key managerial personnel and senior management from third parties (excluding those notices and show cause notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities or notices threatening criminal action or first information reports) shall, in any event, not be considered as litigation until such time that Company, its subsidiaries, its promoters, its directors, key managerial personnel and senior management are impleaded as defendants or respondents in litigation proceedings before any judicial/arbitral forum or governmental authority.

With respect to outstanding litigations (including first information reports) involving the Group Companies, only such outstanding litigations shall be disclosed in the Offer Documents, that could have a material impact on the Company in the opinion of the Board. All Group Companies are required to identify in their certificates pending litigation involving such companies which are considered material by the respective Group Company and which, in their view may have a material impact on the company. Having received details of such litigation from the Group Companies, the Company (acting through its Board/ IPO Committee) will determine which of such identified litigation may have a material impact on the Company.

II. Policy for identification of group companies

Requirement:

As per the requirements of the SEBI ICDR Regulations, group companies include such companies (other than the subsidiaries and the promoters) with which the Company has had related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Indian Accounting Standard 24 (“Ind AS 24”), and also other companies as considered material by the Board.

Accordingly, the policy on identification of companies to be disclosed as group companies (other than those covered under Ind AS 24), is as set out below.

Policy on materiality:

For the purpose of disclosure in the Offer Documents, a company shall be considered material and will be disclosed as a “Group Company” in the Offer Documents if:

- (i) the Company has entered into related party transactions with companies as described under Ind AS 24 with such company during any of the financial periods being included in the Offer Documents; and
- (ii) any other company as may be identified as material by the Board.

With respect to point no. (ii) above, a company shall be considered ‘material’ and will be disclosed as a ‘Group Company’ in the Offer Documents, if such company is a member of the Promoter Group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations and with which the Company has entered into one or more transactions during the last completed financial year or relevant stub period, as applicable, as per the [annual restated consolidated financial statements] included in the Offer Documents.

III. Policy for identification of material creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors (except banks and financial institutions from whom the Company have availed financing facilities) are as follows:

- (i) Based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- (ii) Consolidated information on outstanding dues to micro, small and medium enterprises (“MSME”) and other creditors, separately giving details of number of cases and amount involved will be disclosed in the Offer Documents; and
- (iii) Complete details about outstanding overdues 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 Offer Documents.

Policy on materiality:

For identification of material creditors, a creditor of the Company shall be considered ‘material’ for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor exceeds 5% of the total trade payables of the Company as of the end of the latest financial period covered in the [annual restated consolidated financial statements] disclosed in the Offer Documents. For outstanding dues to MSMEs and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 read with Section 7 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.

GENERAL

It is clarified that the Policy is solely for the purpose of disclosure requirements in the Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose including for disclosure

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of material information by listed entities pursuant to the requirements under 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 by under the Companies Act, 2013 and the rule made there under or by SEBI and/ or any other regulatory, judicial, quasi-judicial, governmental, administrative and/or any 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 disclosures that may arise from any investor or other complaints. The Board shall have the final authority in the event of any ambiguity, difference or dispute arising out of interpretation of this Policy.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with applicable law from time to time.

Date of approval of Policy in the Board Meeting held on 22nd September, 2026

