



**POLICY FOR DETERMINING MATERIAL
SUBSIDIARY OF
IRM ENERGY LIMITED**
(Formerly known as IRM Energy Private Limited)

1. INTRODUCTION:

IRM Energy Limited (“the Company”) has framed the Policy for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. DEFINITIONS

“**Audit Committee**” means a committee constituted by the Board of Directors of the Company in accordance with Listing Regulations and the Companies Act, 2013.

“**Board of Directors / Board**” means a Board of Directors of IRM Energy Limited.

“**Income/Revenue**” means total income (including other income) as per the latest audited financial statements of the Company.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds 10% percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Net Worth**” means net worth as defined under Section 2(57) of the Companies Act, 2013.

“**Subsidiary Company or Subsidiary**” means a subsidiary company as defined under 2(87) of the Companies Act, 2013.

3. GOVERNANCE FRAMEWORK:

- (i) The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- (ii) The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- (iii) The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

- (iv) At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in the Policy, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20 percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

- (v) The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than or equal to 50 percent or the Company ceases the exercise of control over such subsidiary;

Such approval shall not be required if the disinvestment is:

- under a scheme of arrangement duly approved by a Court/Tribunal, or
- under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- (vi) The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required, if such sale, disposal, lease of assets is:

- under a scheme of arrangement duly approved by a Court/Tribunal, or
- under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

- (vii) Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company

4. LAWS TO TAKE PRECEDENTS AND AMENDMENTS:

If any of the provisions of this Policy are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

As this Policy is pursuant to the applicable laws, if any change to applicable laws or interpretation thereof necessitates any change to the Policy, this Policy shall be read so as to accommodate the changes. The Company Secretary will review the Policy to give effect to above, as and when need arises, till such time as the Board of Directors makes the necessary changes to the Policy.



The Board of Directors of the Company shall make such alterations to this Policy as and when necessitated or as deemed fit, provided they are not inconsistent with the provisions of the applicable laws.

5. DISCLOSURES

The Company shall disclose the Policy on its website.
