

**POLICY ON MATERIALITY AND DEALING WITH
RELATED PARTY TRANSACTIONS OF
IRM ENERGY LIMITED**

1. OBJECTIVE AND SCOPE

The Companies Act 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time prescribe comprehensive regulatory framework governing the Related Party Transactions. The Act and the Listing Regulations also require the Companies to adopt comprehensive policy on dealing with the Related Parties.

In the context of above, in compliance with the provisions of the Act and Listing Regulations, on recommendations of the Audit Committee, the Board of Directors of IRM Energy Limited ('the Company') has adopted this Policy on Materiality and Dealing with Related Party Transactions ('the Policy').

The Policy inter-alia encompasses process for identification of Related Parties, procedure for entering into Related Party Transactions, approval at various levels, disclosures and reporting obligations, criteria and procedure for approving Related Party Transactions, etc.

2. DEFINITIONS

In this Policy, unless the context otherwise requires:

"Act" means the Companies Act, 2013, Rules framed thereunder & any amendments thereto.

"Arm's length transaction" means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

"Board of Directors" means the Board of Directors of IRM Energy Limited.

"Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereto;

"Material Modification" means:

- In case of a Material Related Party transaction, any commercial change which results in either:
 - a. reduction in the revenue by 25 % or more of the overall amount approved by shareholders or;
 - b. increase in the cost by 25% or more of the overall amount approved by shareholders.
- In case of other Related Party transaction, any commercial change which results in either:
 - a. reduction in the revenue by 25 % or more of the overall amount approved by Audit Committee or;
 - b. increase in the cost by 25% or more of the overall amount approved by Audit Committee.

Provided that the above thresholds shall be subject to regulation 23 of the Listing Regulations specifying certain conditions thresholds for obtaining shareholders' approval in case of Material Related Party Transaction.

“Material Related Party Transaction” means a transaction with a Related Party, where the transaction(s) to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds the threshold as specified below:

Consolidated Turnover of the Company	Threshold
Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5000 Crores, whichever is lower

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the Annual Consolidated Turnover of the Company as per the last consolidated audited financial statements of the Company.

“Ordinary Course of Business” if transactions satisfy any of the following criteria, such transactions will be generally in the Ordinary Course of Business:

- I. The transaction carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') of the Company as amended from time to time, or;
- II. The transaction should be in furtherance of the business objectives of the Company; or
- III. The transactions, if not frequent, are important to the business objectives of the Company;
- IV. The income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or
- V. The transaction is in common commercial practice, or
- VI. The transaction meets any other parameters/criteria as decided by the Board/Audit Committee.

This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

“Related Party” means a person or an entity defined as related party under Section 2(76) of the Act, Regulation 2 (1) (zb) of Listing Regulations or under the applicable accounting standards.

“Related Party Transaction” means the transaction as prescribed under Regulation 2(1)(zc) of Listing Regulations and Section 188 of the Companies Act.

“Relative” in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act and Regulation 2(zd) of Listing Regulations.

Explanation: Any words used in the Policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, Listing Regulations, Indian Accounting Standards or any other relevant legislation / law applicable to the Company.

3. INTERPRETATION

In any circumstances, where the terms of the Policy differ from any existing or enacted Law(s), Rule(s), Regulation(s) governing the Company, then such Law(s), Rule(s) or Regulation(s) shall prevail over this Policy.

In case of any dispute or difference upon the meaning/interpretation of any provision in the Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

4. IDENTIFICATION OF RELATED PARTIES AND THE RELATED PARTY TRANSACTIONS

Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information about all persons, firms, entities in which he is interested whether directly or indirectly, to the Company Secretary.

On the basis of the above referred information received and basis the Act and Listing Regulations a consolidated list of related parties shall be prepared.

The potential transactions with the Related Parties, as per the above-mentioned list, shall be identified and a comprehensive proposal shall be submitted with details for requisite prior approval.

5. APPROVAL OF THE RELATED PARTY TRANSACTIONS

5.1. Approval of the Audit Committee

5.1.1 All Related Party Transactions and subsequent material modifications, subject to clause 5.1.2 of this Policy shall require prior approval of the Audit Committee, whether at a meeting or by resolution passed by circulation.

5.1.2 Related Party Transactions with the wholly owned subsidiaries are exempted and transactions entered between the two wholly owned subsidiaries of the Company, if any, transactions which are in nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and Central Government or any State Government or any combination

thereof on other hand; are exempted from any approval requirement and would require only periodical reporting, preferably on quarterly basis.

- 5.1.3 Only Members of the Audit Committee, who are independent directors, shall approve related party transactions.
- 5.1.4 A Related Party Transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction, exceeds the lower of the following;
- i. ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations
- 5.1.5 In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following:
- i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
 - ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary is a party, but the Company is not a party, if Regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.

Prior approval of the Audit Committee of the listed subsidiary shall suffice for Related Party Transactions of an unlisted subsidiary of a listed subsidiary of the Company.

- 5.1.6 Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23(1).

5.1.7 The members of the audit committee, who are independent directors, may ratify related party transactions within 3 (three) months from the date of the transaction or in the immediate next audit committee meeting, whichever is earlier, subject to the conditions as specified in Regulation 23(2)(f) of SEBI Regulations.

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it;

5.1.8 The Audit Committee may also grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company or its subsidiary if the transactions satisfy the following conditions:

- i. Such related party transactions are repetitive in nature.
- ii. Specific need of such omnibus approval i.e., the transactions are in the best interest of the Company.

5.1.9 The omnibus approval shall specify (a) the name/s of the related party, (b) nature of transaction, (c) duration/period of transaction, (d) maximum amount of transaction that can be entered into, (e) the indicative base price / current contracted price and the formula for variation in the price, if any and (f) such other conditions as the Audit Committee may deem fit;

5.1.10 Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

5.1.11 Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

5.1.12 In case the Committee does not approve any transaction, then it shall make its recommendations to the Board.

5.1.13 In case any member of the Committee is interested in any potential Related Party Transaction, such member shall abstain from voting when such transaction is being considered.

5.2 Approval of the Board of Directors

The following Related Party Transactions and subsequent material modifications shall be subject to prior approval of Board of Directors:

5.2.1 All kinds of transactions with the Related Parties and subsequent material modifications which are not in the ordinary course of business or not executed at

an arm's length shall require approval of the Board of Directors by way of a resolution at a meeting of the Board.

- 5.2.2 Transactions and subsequent material modifications which are not approved by the Audit Committee or in the opinion of the Audit Committee need special consideration / determination by the Board, may be recommended to the Board for its approval.
- 5.2.3 Where it is mandatory under any law for Board to approve the Related Party Transactions and subsequent material modifications.
- 5.2.4 Related Party Transactions and subsequent material modifications, in which the Directors or the Key Managerial Personnel, are concerned or interested.
- 5.2.5 Where any director is concerned or interested in any potential Related Party Transaction and subsequent material modifications, such director shall abstain from voting when such transaction is being considered.

5.3 Approval of the Shareholders of the Company

- 5.3.1 All Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through resolution.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

- 5.3.2 All Related Party Transactions pursuant to Section 188 of the Act exceeding the threshold limit, shall also require the approval of Shareholders of the Company:

Threshold limit as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

Description of Transaction	Threshold Limits
Sale, purchase or supply of any goods or materials, directly or through appointment of agent	10% or more of turnover of the Company
Selling or otherwise disposing of or buying property of any kind directly or through appointment of agent	10% or more of net-worth of the Company
Leasing of property of any kind	10% or more of turnover of the Company

Availing or rendering of any services, directly or through appointment of agent	10% or more of turnover of the Company
Appointment of any office or place of profit in the Company	Monthly Remuneration exceeding Rs. 2,50,000/-
Remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company	Exceeding 1% of net-worth

5.3.3 No related party shall vote to approve the relevant transaction, irrespective of whether they are party to the particular transaction or not.

5.3.4 Transactions with wholly owned subsidiary(ies) and between wholly owned subsidiary(ies) whose accounts are consolidated with the holding Company and placed before the Shareholders at the General Meeting for approval are exempted from approval of the Shareholders.

6. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED:

6.1. In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the transaction shall be placed as promptly as practicable before the Committee or Board or the Shareholders ('Approving Authority' for the purpose of this Clause) as may be required in accordance with this Policy, for review and ratification.

6.2. The Approving Authority shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision in the terms, or termination of such transaction. The decision of the Approving Authority shall be binding under such circumstances.

6.3. Audit committee may examine internal controls and the reasons for failure in reporting/ prior approval of such Related Party Transaction and suggest directives to strengthen the internal controls/collaboration. In connection with any review/ratification of any particular Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

7. DEEMED APPROVAL:

7.1. The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant competent authority or committee shall be deemed to be approved under this Policy. Such transactions are enumerated below:

7.1.1. Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;

7.1.2. Payment of remuneration, fees, commission, etc. to directors pursuant to the Nomination and Remuneration Committee approval.

- 7.1.3. Share based incentive plans for the benefits of the Directors or Key Managerial Personnel pursuant to shareholders including ESOPs.
- 7.1.4. Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- 7.1.5. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

8. DISCLOSURES & REPORTING:

- 8.1. This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.
- 8.2. A summary statement of Related Party Transactions entered into by the Company shall be submitted to the Audit Committee in quarterly meetings for information, review and noting.
- 8.3. The details of Related Party Transactions shall be disclosed in the Annual report of the Company, to the Stock Exchanges and other regulatory bodies as per the provisions of Indian Accounting Standards, the Act, Listing Regulations or any other applicable laws and regulations.

9. REVIEW AND AMENDMENTS:

- 9.1. Based on the recommendations of the Audit Committee, the Board, may review or amend this Policy at any time without any prior intimation and establish further rules or procedures, periodically and as required under the Act or Listing Regulations, to give effect to this Policy.
- 9.2. The Company Secretary and Chief Financial Officer are severally authorized to amend the Policy to give effect to any changes / amendments notified by Ministry of Corporate Affairs or SEBI w.r.t. Related Party Transactions from time to time. Such amended policy shall be periodically placed before the Audit Committee for noting and ratification.

Foot Note:

Version 1.0: Original Policy approved by Board in their meeting and effective from September 24, 2022.
Version 2.0: Amended Policy approved by the Board in their meeting and effective from February 10, 2025.
Version 3.0: Amended Policy approved by the Board in their meeting and effective from March 30, 2026.