



REPORT OF THE AUDIT COMMITTEE OF IRM ENERGY LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF ENERTECH DISTRIBUTION MANAGEMENT PRIVATE LIMITED WITH IRM ENERGY LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AT ITS MEETING HELD ON WEDNESDAY, NOVEMBER 12, 2025

The following Audit Committee Members were present:

1. Mr. Dharamchand Jain - Chairman
2. Mr. Krishan Kumar Gupta - Member
3. Mr. Abhay Gupte - Member
4. Mr. Amitabha Banerjee - Member

In attendance:

1. Mr. Akshit Soni, Company Secretary & Compliance Officer

1. Background

- 1.1. A meeting of the Audit Committee of IRM Energy Limited was held on November 12, 2025, *inter alia*, to consider and recommend the proposed draft Scheme of Amalgamation of Enertech Distribution Management Private Limited ("**Transferor Company**") with IRM Energy Limited ("**Transferee Company**") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").
- 1.2. The Transferee Company is a company incorporated under the provisions of the Act. The equity shares of the Transferee Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").
- 1.3. The Transferor Company is incorporated under the provisions of the Act. The Transferor Company holds 21.12% of the equity share capital of the Transferee Company.
- 1.4. This report of the Audit Committee is made in order to comply with the requirements of the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("**SEBI Master Circular**"), including amendments thereto.
- 1.5. **Documents placed before the Audit Committee**

The following documents were, *inter alia*, placed before the Audit Committee:

- (a) Draft Scheme;
- (b) Valuation Report dated November 12, 2025, issued by GT Valuation Advisors Private Limited, Chartered Accountants, Registered Valuer (IBBI Registration No. IBBI/RV-E/05/2020/134) ("**Valuation Report**"),





describing the methodology adopted by them in arriving at the consideration in connection with the Scheme;

- (c) Fairness Opinion Report dated November 12, 2025, issued by Saffron Capital Advisors Private Limited (SEBI Registration No. INM000011211), an Independent SEBI registered Category – I Merchant Banker ("**Fairness Opinion**"), providing an opinion on the fairness of the consideration specified in the Valuation Report;
- (d) Draft certificate dated November 12, 2025 issued by Mukesh M. Shah & Co., Chartered Accountants (ICAI Firm registration number: 106625W), the Statutory Auditors of the Transferee Company, confirming the accounting treatment stated in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles; and
- (e) Draft certificate dated November 12, 2025 issued by Mukesh M. Shah & Co., Chartered Accountants (ICAI Firm registration number: 106625W), the Statutory Auditors of the Transferee Company, certifying the non-applicability of requirements stated in Paragraph 10(b) read with paragraph A.10(a) of Part I of the SEBI Master Circular.

2. Proposed Scheme of Amalgamation

2.1. Need for the Amalgamation and Rationale of the Scheme

1. *The Transferor Company holds 21.12% of the total equity share capital in the Transferee Company. The Transferor Company is desirous of amalgamating the Transferor Company with the Transferee Company. The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:*
 - (a) *streamlining and simplifying the corporate shareholding structure; and*
 - (b) *enabling direct shareholding and participation of shareholders of the Transferor Company in the Transferee Company.*
2. *The Scheme is not prejudicial to the interests of the shareholders, employees and the creditors of each of the Parties. The share capital of the Transferee Company will not change i.e. same number of shares as held by the Transferor Company currently will be issued to its shareholders. Further, all the costs and expenses in relation to this Scheme will be borne by the Transferor Company and its shareholders.*

2.2. Synergies of the business of the Companies involved in the Scheme

The background and information about the Transferor Company and the Transferee Company are, *inter alia*, as under:





- (a) The Transferor Company is engaged to carry on the business in the field of distribution, trading, buying, selling, production, generation, import, export, provide advisory services, act as consultant, carry out operation and maintenance and construction of gas transmission and distribution pipelines of natural gas, LNG, CNG, fuel, energy, power and other natural and man-made resources, Compressed Natural Gas (CNG) station, supply of gas through CNG Cascades and LNG tankers by road, regasification of LNG on various locations and development, operation, maintenance, lease, rent energy infrastructure and to engage in energy planning, energy audit, to provide customer care services, market survey or otherwise provide various services and products and to manage transportation of such energy resources.
- (b) The Transferee Company is engaged in the business of laying, building, operating and expanding the city or local natural gas distribution network. The Transferee Company develops natural gas distribution projects in the Geographical Areas allotted for industrial, commercial, domestic and automobile customers. It supplies natural gas to two primary set of customer segments – Compressed Natural Gas (CNG) and Piped Natural Gas (PNG).
- (c) Upon amalgamation, the synergies as mentioned in Paragraph 2.1 above shall be derived.

2.3. **Impact of the Scheme on the Company and its shareholders**

- (a) Pursuant to the Scheme i.e. the amalgamation of the Transferor Company with the Transferee Company will result in synergies as listed in Paragraph 2.1 and 2.2 of this report;
- (b) In consideration of the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall issue and allot equity shares on a proportionate basis to the shareholders of the Transferor Company as on the Effective Date (*as defined in the Scheme*). Further, the rights and interests of the shareholders of the Transferee Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Transferee Company, pre and post Scheme;
- (c) The share capital or shareholding pattern of the Transferee Company will not change i.e. same number of shares as held by the Transferor Company currently will be issued to its shareholders. Further, all the costs and expenses in relation to this Scheme will be borne by the Transferor Company and its shareholders;
- (d) Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and the shareholders of the Transferor Company shall become shareholders of the Transferee Company; and





- (e) Upon the effectiveness of the Scheme and subject to receipt of regulatory approvals, the equity shares of the Transferee Company issued as consideration pursuant to the Scheme shall be listed on BSE and the NSE.

2.4. Cost-benefit analysis of the Scheme

The Scheme is expected to provide an opportunity to streamline the corporate shareholding structure and improve the administrative and operational synergies. All costs associated with the Scheme will be borne by the Transferor Company and its shareholders.

3. RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee after due deliberations and detailed discussions, and *inter alia* taking into consideration the draft Scheme, Valuation Report, Fairness Opinion and draft certificate(s) to be issued by the Statutory Auditors of the Transferee Company, have noted the need and rationale of the Scheme, synergies of the business of the companies, impact of the Scheme on the Transferee Company and its shareholders, cost benefit analysis of the Scheme and other documents placed before the Audit Committee. Based on the foregoing, the Audit Committee is of the view that the Scheme is not prejudicial to the interest of the Transferee Company and its stakeholders, and hereby recommends the Scheme to the Board of Directors of the Transferee Company for its consideration and approval.

By Order of the Audit Committee

For and on Behalf of
IRM Energy Limited


Dharamchand Jain
Chairman – Audit Committee
DIN: 02425815



Place: Ahmedabad
Date: 12-11-2025