



SRM ENERGY LIMITED
Policy for determining 'material' subsidiaries

1. SCOPE AND OBJECTIVE OF THE POLICY

Policy for determining 'Material' Subsidiaries ("the Policy") is prepared pursuant to requirements of Regulation 16 1(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

To comply with this statutory requirement, SRM Energy Limited has formulated the policy, which shall be subject to the applicable statutory provisions, including the provisions of the Companies Act, 2013, any rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India and any other appropriate authority.

The objective of this Policy is to fix the threshold for determining "material" subsidiaries of SRM.

2. THRESHOLD FOR DETERMINING 'MATERIAL SUBSIDIARIES':

Pursuant to the requirements of the Regulations 16(1)(c), a subsidiary shall be considered as Material if –

the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Identification of material subsidiary for the purpose of Regulation 24(1) of Listing Regulations

Notwithstanding anything to the contrary contained in regulation 16, a subsidiary shall be considered to be a material subsidiary if it is a subsidiary, incorporated in India, whose income or net worth exceeds 20% (twenty per cent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3. CONDITIONS IN RESPECT OF MATERIAL UN-LISTED INDIAN SUBSIDIARY COMPANY:

One Independent Director of SRM shall be a director on the Board of the Material un-listed Indian Subsidiary Company.

The Audit Committee of SRM shall review the financial statements and investments made in material non-listed subsidiary.

The Minutes of the Board Meeting of the material non-listed subsidiary shall be placed at the Board Meeting of SRM.



The management of SRM will periodically bring to the attention of the Board of Directors of SRM; a Statement of all the significant transactions and arrangements entered into by the material subsidiary.

Here significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

4. CONDITIONS IN RESPECT OF MATERIAL SUBSIDIARY COMPANY:

SRM, without the prior approval of the members by Special Resolution, shall not:

- i) dispose of shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- ii) ceases the exercise of control over the Subsidiary; or
- iii) sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year. Unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. DISCLOSURES:

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall disclose all events or information to the Stock exchanges as covered under Regulation 30 of Listing Regulations with respect to material subsidiaries.

6. AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

7. INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made there under, Listing Regulations or any other relevant legislation / law applicable to the Company.