



SG MART LIMITED

(Formerly known as Kintech Renewables Limited)

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

{Pursuant to Regulation 16 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015}

Version	Approved by	Date of Approval
1 st Version	Board of Directors	05.05.2015
2 nd Version	Board of Directors	29.10.2015
3 rd Version	Board of Directors	16.04.2024
4 th Version	Board of Directors	23.01.2025

I. PREAMBLE:

Pursuant to Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is required to formulate a policy for determining material subsidiary.

The Board of Directors of SG Mart Limited (the “Company”) is obliged to formulate a policy for determining “material subsidiaries” to comply with the requirements of Regulation 16(1)(c) and 24 of Listing Regulations, 2015 for such material subsidiaries.

II. DEFINITION:

“**Material Subsidiary**” shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

III. COMPLIANCE WITH LISTING REGULATIONS AND THE COMPANIES ACT, 2013:

- (i) In case of a material unlisted subsidiary, at least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of such material unlisted subsidiary.

For the above stated purpose only, “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- (ii) The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.

(iii) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.

(iv) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.-For the said purpose, the term 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.

(v) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control* over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court or Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

[* Explanation – ‘control’ shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.]

(vi) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution unless the sale/ disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.

- (vii) All material unlisted subsidiaries incorporated in India shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex with its annual report, such secretarial audit report, given by a company secretary in practice.

Explanation:

- (i) “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.
- (ii) “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

IV. GENERAL:

The words and terms not defined in the Policy shall carry the same meaning as assigned in the Listing Regulations. The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Listing Regulations or any other statute.

Any amendments to the Listing Regulations in context of this policy shall mutatis mutandis be deemed to have been incorporated in this Policy without approval of the Board.

Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

V. DISCLOSURE

The material subsidiaries policy shall be disclosed on the website of the Company & a web link thereto shall be provided in its Annual Report.