



THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In terms of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. INTRODUCTION

In accordance with the Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporation has formulated this policy for determining material subsidiary of the Corporation.

2. SCOPE AND EXCLUSION

This Policy sets out the criteria for determining material subsidiary / subsidiaries.

3. POLICY

A subsidiary shall be considered as 'material subsidiary' if its turnover or net-worth exceeds ten percent of the consolidated turnover or net-worth respectively, of the Corporation and its subsidiaries in the immediately preceding accounting year. This Policy shall come into effect immediately and shall be placed on the website of the Corporation.

4. GOVERNANCE FRAMEWORK:

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Corporation.

2. The Minutes of the Board meetings of the unlisted subsidiary Corporation shall be placed at the Board meeting of the Corporation at regular intervals.

3. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Corporation.

“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. At least one Independent Director of the Corporation shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not. Only for the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16 (1) (c), the term “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

5. The Corporation shall not dispose of shares in its material subsidiary, which would reduce 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 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.

6. Selling, disposing and leasing of assets amounting to more than 20% 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. **DISCLOSURES:** This Policy shall be disclosed on the website of the Corporation www.bbtcl.com and a web link thereto shall be provided in the Annual Report of the Corporation.
