

BHATKAWA TEA INDUSTRIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

A Subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty percent of the consolidated income of the Company during the previous financial year.

At present the Company does not have any material subsidiary hence the policy of governance of material subsidiary and its disposal has not been formulated. As and when the Company identifies any other company to be its material subsidiary the said policy would be amended/revised.