

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

The Board of Directors of **PH TRADING LIMITED** has adopted the following policy and procedures with regard to determination of Material Subsidiaries, if any;

TITLE

This Policy shall be called 'Policy for determining material subsidiaries'

OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the Regulation 16 (1)(C) of the (Listing Obligations And Disclosure Requirements) Regulations, 2015 .

DEFINITIONS

"Board of Directors" or "Board" means the Board of Directors of PH TRADING LIMITED as constituted from time to time.

"Company" means PH TRADING LIMITED .

"Independent Director" means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing (Listing Obligations And Disclosure Requirements) Regulations, 2015.

"Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Act and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing (Listing Obligations And Disclosure Requirements) Regulations, 2015 , Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY

Material subsidiary shall mean a -

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

REQUIREMENTS RELATING TO MATERIAL SUBSIDIARY

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 fifty percent 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/Tribunal.

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.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the (Listing Obligations And Disclosure Requirements) Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such (Listing Obligations And Disclosure Requirements) Regulations, 2015 / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company.
