

PH CAPITAL LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble and Objective:

This Policy is framed, pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), to ensure governance framework of material subsidiaries.

2. Definitions:

- a) “Board” means the Board of Directors of PH Capital Limited.
- b) “Company” means PH Capital Limited.
- c) “Policy” means this Policy, as amended from time to time.
- d) “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- e) ‘Unlisted Material Subsidiary’ means an unlisted subsidiary, incorporated in India or not, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- f) ‘Significant transaction or arrangement’ means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary in the immediately preceding accounting year.

3. Governance Framework:

- a) At least one Independent Director on the Board of the Company shall be a director on the board of an unlisted material subsidiary, whether incorporated in India or not.
- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- c) The minutes of the Board meetings of the unlisted subsidiary shall be placed at the Board meetings of the Company.
- d) The management of the unlisted subsidiary should periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

- e) Disposal of shares of the Material Subsidiary that would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or tend to cease the control over the subsidiary would require the prior approval of the shareholders of the Company by way of a special resolution except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal. Therefore, neither Board nor any committee of the Board or any officer of the Company will approve any sale or disposal of shares or enter into any contractor arrangement or make any commitment binding the Company for sale or disposal of the shares or cessation of control of any material subsidiary to less than 50%, without getting the prior consent of the shareholders.
- f) Neither the Board, nor any committee of the Board nor any officer of the Company will approve any 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 without seeking the prior approval of the shareholders by way of a special resolution, unless the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a court/tribunal.

4. **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, subject to the same being in compliance with the Listing Regulations.

The effective date of adoption and applicability of this policy is August 09, 2022.