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PH TRADING LIMITED

PODDAR POINT, 'B' BLOCK, 10TH FLOOR,
113, PARK STREET, KOLKATA - 700 016
CIN No. L51109WB1982PLC035011

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REPORT OF THE AUDIT COMMITTEE OF PH TRADING LIMITED RECOMMENDING THE DRAFT SCHME OF ARRANGEMENT

PRESENT:

Mr. Prakash Himatsingka	Chairman
Mr. Avishek Himatsingka	Member
Mr. Amar Chand Agarwal	Member
Mrs. Arati Trivedi	Member

- **Background:**

The Scheme of Arrangement ('**Scheme**') of Demerger of K Kumar Unit of PH Trading Limited into the wholly owned subsidiary of the Company i.e., Dhyaneshwar Traders Private Limited ('**DTPL**) with the Company was placed before the Audit Committee for recommendation of the Scheme to the Board of Directors as required by the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 ('**Circular**').

This report of the Audit Committee is made in order to comply with the requirements of the Circular and after considering the following documents:

- Draft Scheme of Arrangement;
- Valuation cum Exchange Ratio Report for determination of fair value/ exchange ratio of the outgoing business unit of the Company i.e., K Kumar & Co. unit into DTPL dated 15th April 2017 issued by M/S H.B. Associates and Co. Chartered Accountants; and
- Fairness Opinion Report dated 15th April 2017 issued by M/S VC Corporate Advisors Private Limited;

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- **Proposed Scheme of Arrangement:**

The Audit Committee noted that the scheme of arrangement will create synergies in the activities of both the companies. DTPL is a wholly owned subsidiary of the Company.

The salient features of the Scheme are as follows:

- The Appointed Date of the Scheme is fixed as the opening hours on 1st April 2016.
- The Scheme provides for demerger of K Kumar & Co. unit of the Company with DTPL.
- As a consideration for the demerger, DTPL will issue and allot 45000 equity shares of the face value of Rs. 10/- each as fully paid up to PH Trading Limited.

- **Recommendations of Audit Committee:**

The Audit Committee recommends the Draft Scheme, *inter alia*, taking into consideration the Valuation Report of M/s. H.B. Associates and Co. Chartered Accountants and Fairness Opinion Report of M/s. VC Corporate Advisors Private Limited for favourable consideration by the Board of Directors, Stock Exchanges, the SEBI and other appropriate authorities.

Date : April 15, 2017

Place: Kolkata

MEMBER, AUDIT COMMITTEE

AMAR CHAND AGARWAL