POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

INTRODUCTION

The Board of Directors of Consolidated Finvest & Holdings Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

This Policy is primarily based on the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (LODR) Regulations, 2015.

DEFINITIONS

"Board of Directors" or **"Board"** means the Board of Directors of Consolidated Finvest & Holdings Limited, as constituted from time to time.

"Company" means Consolidated Finvest & Holdings 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 Agreement with the Stock Exchanges.

"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, SEBI (LODR) Regulations, 2015 or any other applicable law or regulation.

POLICY

A subsidiary shall be considered as **Material** if-

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material Non Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose:

- net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or

- income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

A list of such Material subsidiaries and Material Non Listed Indian Subsidiaries shall be presented to the Audit Committee annually for its noting.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, shall not:-

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or

- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or

- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/ sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

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 SEBI (LODR) Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI (LODR) Regulations, 2015 / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY

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

xxxx