

CONSOLIDATED FINVEST & HOLDINGS LIMITED

Head Office: Plot No.12, Local Shopping Complex, Sector B-1, Vasant Kunj, New Delhi – 110070

Ph:91-11-40322100 CIN:L33200UP1993PLC015474 Website:www.consofinvest.com

Ref: CFHL/SECTT/JUNE 21/525

Dated: 28th June 2021

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C-1
Block G, Bandra-Kurla Complex,
Bandra(East), Mumbai – 400 051

Code: CONSOFINVT

Series : Eq

Subject: Announcement dated 16.06.2021 regarding proposed Scheme of Amalgamation undertaken of by Subsidiary Company namely, Jindal Photo Investments Limited (JPIL)

Dear Sir/Madam,

This is with reference to your e-mail dated 22nd June 2021, regarding intimation submitted by us, i.e., Consolidated Finvest & Holdings Limited (“Company”) on 16th June, 2021 under Regulation 30 of SEBI (LODR) Regulations, 2015, in respect of filing of first motion application before NCLT, Kolkata Bench seeking amalgamation of Soyuz Trading Co Ltd., Rishi Trading Co Ltd., Penrose Mercantile Limited, Consolidated Photo & Investments Limited and Jindal Photo Investments Limited with and into Concatenate Advest Advisory Private Limited. M/s Jindal Photo Investments Limited is a material subsidiary of the Company. Our responses to clarification sought by your goodself is as under:

1. Brief details of Change in shareholding Pattern of Listed entity

This proposed scheme of amalgamation does not involve the Company, accordingly, there shall be no change in shareholding pattern of the Company. The Promoter and Public shareholding will remain same upon the proposed amalgamation becoming effective.

2. Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

Details of the entities forming part of amalgamation are as under:

As per audited financial statements (Rs. in Lacs)

Sl. No.	Name of the Entity	Assets size as on 31.03.2020	Turnover as on 31.03.2020
1.	Consolidated Photo & Finvest Ltd	16719.67	339.18
2.	Rishi Trading Company Limited	19563.92	71.34
3.	Penrose Mercantiles Limited	825.76	9.99
4.	Soyuz Trading Company Limited	37939.63	1429.89
5.	Jindal Photo Investments Limited	34767.88	1312.14
6.	Concatenate Advest Advisory Private Limited	Incorporated on 23.11.2020	

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3. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"

Sub- section (1) of section 188 of Companies Act, 2013 ("CA 2013") deals with provisions related to related part transactions and it would be imperative to set out relevant text of section 188 of CA 2013 for ready reference:

"Section 188. Related Party Transactions:

(1) Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to-

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company"

(Emphasis supplied)

Further, attention is now drawn on circular issued by Ministry of Corporate Affairs dated July 17, 2014 wherein it has clarified that "transactions arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of Companies Act, 1956/ Companies Act, 2013, will not attract the requirement of section 188 of the Companies Act, 2013."

Accordingly, no scheme of amalgamation shall fall under the ambit of transactions under section 188 of the Companies Act, 2013.

Needless to mention, M/s Jindal Photo Investments Limited is a material subsidiary of the Company and the Company shall be issued preference shares by the Transferee Company in terms of the scheme.

4. Area of business of the entity(ies);

Soyuz Trading Co. Ltd. (Transferor Company 1)	The Transferor Company 1 is also engaged in the business of providing management consultancy services and to act as investment Company.
Rishi Trading Co Ltd (Transferor Company 2)	The Transferor Company 2 is also engaged in the business of providing management consultancy services, to lend or deal with the money and to act as investment Company.

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Penrose Mercantiles Ltd (Transferor Company 3)	The Transferor Company 3 is engaged in the business of acquiring, buying, selling, dealing and financing the purchase of shares, stocks, debentures, bonds, obligations and other securities of its group entities.
Consolidated Photo & Finvest Limited (Transferor Company 4)	The Transferor Company 4 is engaged in the business of acquiring, buying, selling, dealing and financing the purchase of shares, stocks, debentures, bonds, obligations and other securities of its group entities.
Jindal Photo Investments Limited (Transferor Company 5)	The Transferor Company 5 is engaged in the following business activities viz. (a) to acquire, buy, sell, deal and finance the purchase of shares, stock, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company; and (b) to lend money, either with or without security and also to invest the funds of the Company of its group entities.
Concatenate Advest Advisory Private Limited (Transferee Company)	The Transferee Company is incorporated to provide business advisory and consultancy services to the corporate and other business entities. It shall act as a management consultants and advisors and shall provide management services in all forms and aspects including but not limited to problem solving, team building, knowledge management, corporate management and any other related activity to various entities.

5. Rationale for amalgamation/ merger

- (a) The companies are closely held companies and belong to the same promoter group having similar nature of business. This amalgamation will enable investment and consultancy business of Transferor Companies to be vested under one entity, i.e., the Transferee Company;
- (b) The proposed amalgamation will result in operational and administrative efficiencies, economies of scale, reduction in inter-company transactions and consequently creation of greater value for shareholders and all other stakeholders;
- (c) The proposed amalgamation will reduce the number of layers of Core Investment Companies within a Group and to address the complexity in group structures;
- (d) The proposed consolidation of Transferor Companies with and into the Transferee Company is aimed at unlocking shareholder's value and achieving higher long-term financial returns by the Transferee Company; and

The said rationale is also part of the proposed scheme filed before NCLT, Kolkata Bench.



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6. In case of cash consideration amount or otherwise share entitlement/exchange ratio

There is no cash consideration amount as the shareholders of amalgamating Companies will get shares against their shareholding, as per terms & conditions mentioned in the scheme.

We are sure, you will find the above in order. In case you require any other information, please inform us.

Thanking you,

Yours truly,

For **Consolidated Finvest & Holdings Limited**


Anil Kaushal
(Company Secretary)

