

# FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

*Meeting of Independent Directors  
11<sup>th</sup> February, 2022*

**By Consolidated Finvest & Holdings Limited**

CIN L33200UP1993PLC015474

Plot No. 12, Sector-B1, LSC,

Vasant Kunj, New Delhi - 110 070

Phone : 011-40322100

E mail : [cs\\_cfhl@jindalgroup.com](mailto:cs_cfhl@jindalgroup.com)

Website : [www.consofinvest.com](http://www.consofinvest.com)

# About the Company

- ❖ Consolidated Finvest & Holdings Limited was incorporated on 1<sup>st</sup> May, 1986 and carrying on the activity of investment in shares mainly in group companies and is a registered Non Banking Financial Company (NBFC) with the Reserve Bank of India.
- ❖ Equity Shares of the Company are presently listed at National Stock Exchange of India Limited (NSE).
- ❖ The Registered Office of the Company is presently situated at Gulaothi, in the State of Uttar Pradesh

# Continued...

## **Statutory Auditor of the Company (FRN 011575C)**

P.L. Gupta & Co.

Chartered Accountants

44, second floor, Sant Nagar,

East of Kailesh,

New Delhi-110065

E-mail- [plguptarn@gmail.com](mailto:plguptarn@gmail.com)

## **Internal Auditor of the Company (FRN 012351N)**

UBS & Co.

Chartered Accountants

S-1,S-2, Manish Twin Tower

Plot No. 3, Sector 4 Dwarka

New Delhi 110078 Phone No: 011-45621780

E Mail ID: [bhimca@hotmail.com](mailto:bhimca@hotmail.com)

## **Secretarial Auditor of the Company**

ASHU GUPTA & Co.

Company Secretaries

204A, Second floor

23 SBI Building,

Opposite DLF Tower

Shivaji Marg, New Delhi-110015

Phone: 011- 45700331

E-mail ID: [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com)



# Registrar & Share Transfer Agent

SEBI REG No: INR000004058

Link Intime India Pvt Ltd: CINU67190MH1999PTC118368

**Address:** Noble Heights, 1<sup>st</sup> floor, Plot No. NH-2  
C Block, Near Savitri Market, Janak Puri, New  
Delhi-110 058

**Phone:** 011 – 49411000

**E-mail:** delhi@linktime.co.in

**Web site:** [www.linkintime.co.in](http://www.linkintime.co.in)

# Business Model of the Company

- ◆ The Company carries out its business activities in the financial services industry and investment in securities market and is registered with Reserve Bank of India, New Delhi as a non Banking Finance Company (NBFC). The Company been granted a Certificate of Registration No: N.12.00.441 dated 05.10.2005
- ◆ The Company is a systemically important Non Deposit taking NBFC
- ◆ The Company is not accepting / holding any Public Deposits as on date as defined in Non-Banking Financial Company-Systematically Important Non-Deposit taking and deposit taking Company Prudential Norms (Reserve Bank) Directions 2016.

# Nature of Industry in which the Company Operates

- ◆ The Company carries out business activities in the financial services sector.
- ◆ The Company is primarily engaged in the business of investment in Shares and other Securities, lending of money for short and long term business purposes.
- ◆ The Company is a member of all Four Credit Information Companies (CIC) viz. TransUnion CIBIL Limited, Experian Credit Information Company of India Pvt. Ltd, Equifax Credit Information Services Pvt. Ltd and CRIF High Mark Credit Information Services Pvt. Ltd

# Composition of Board of Directors

BOARD OF DIRECTORS	
Mr. Radhey Shyam	Chairman (Independent Director)
Mr. Sanjeev Aggarwal	Independent Director
Mr. Prakash Matai	Independent Director
Ms. Geeta Gilotra	Women Director
Ms. Iti Goyal	Non-Executive Director

# Key Managerial Personnel (KMP)

Key Managerial Personnel(s)	Designation
Mr. Sanjiv Kumar Agarwal	Managing Director(MD)
Mr. Anil Kaushal	Company Secretary (CS)



# Board Committee's

Name of Committee	Provisions applicable	Structure of Committee
<b>Audit Committee</b>	Section 177 of Companies Act, 2013 read with rule 6 & 7 of Companies (Meetings of Board & its Powers) Rules, 2014 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 deals with the Audit Committee.	Audit Committee shall consist of a minimum of three directors with at least 2/3rd of independent directors.
<b>Nomination and Remuneration Committee</b>	Section 178 (2), (3) & (4) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 deals with the Nomination and Remuneration Committee.	Nomination and Remuneration Committee shall consist of at least three non- executive directors out of which at least 2/3 <sup>rd</sup> shall be Independent directors.
<b>Stakeholders Relationship Committee</b>	Section 178 (5), (6) & (7) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 deals with the Stakeholders Relationship Committee.	Stakeholders Relationship Committee shall consist of at least three directors, with at least one being an independent director.

# Composition of Board Committee's

## **Audit Committee (AC)**

1. Mr. Prakash Matai, Chairman
2. Mr. Radhey Shyam, Member
3. Mr. Sanjeev Aggarwal, Member

## **Nomination And Remuneration Committee (NRC)**

1. Mr. Prakash Matai, Chairman
2. Mr. Radhey Shyam, Member
3. Mr. Sanjeev Aggarwal, Member

## **Stakeholders Relationship Committee (SRC)**

1. Mr. Radhey Shyam, Chairman
2. Mr. Prakash Matai, Member
3. Mr. Sanjiv Kumar Agarwal, Member

# Company's Shareholding Pattern

Distribution of Shareholdings as on 31<sup>st</sup> December 2021 is as follows:

Category	No. of Share(s) held	No. of Shareholders	% of Shareholding(s)
<b>A. <u>Promoters holding</u></b>	231,24,764	07	71.54
• Indian Promoters	0	0	0
• Foreign Promoters			
<b>B. <u>Public Shareholding (Institutions)</u></b>			
• Mutual funds and UTI	0	00	0.00
• Banks/Financial Institutions	3070	03	0.00
• Foreign Institutional Investors	11,76,192	04	3.64
<b>C. <u>Public Shareholding (Non-Institutions)</u></b>			
• Bodies Corporate	814043	121	2.52
• Clearing Member / Intermediary	3682	10	0.01
• NRIs	1098637	67	3.40
• Indian Public	5396451	13280	16.69
• Trust	15560	03	0.05
• IEPF	693967	01	2.15
<b>Total</b>	<b>32326366</b>	<b>13496</b>	<b>100.00</b>

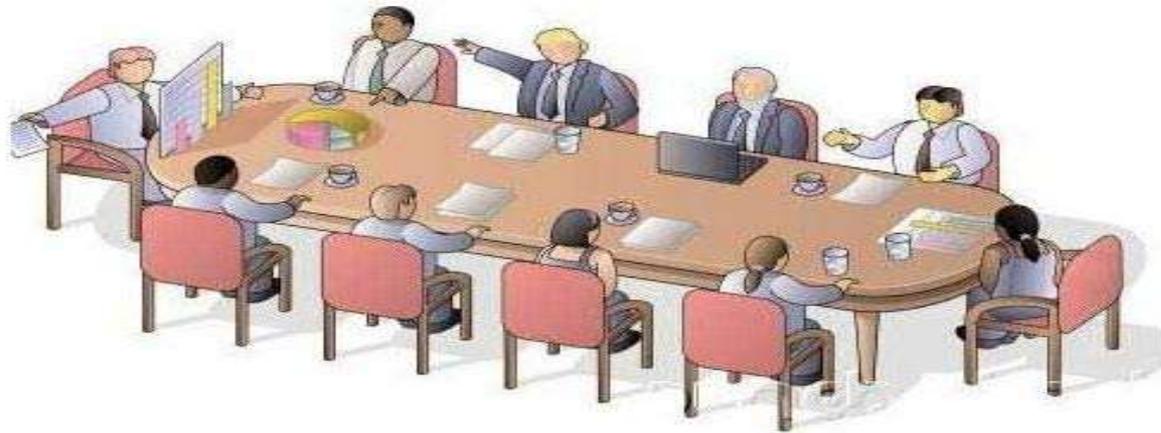
# Financial Position of the Company

Audited Financial Results of the Company is as under:-

(Rupees in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2019
Total Income	1133.18	850.24	479.92
Profit Before tax	1080.20	805.32	(707.08)
Profit After tax	858.18	562.43	(878.98)
Equity Share Capital	3232.64	3232.64	3232.64
Reserves	33361.17	32503.00	34281.05
Earnings Per Share	2.65	1.74	(2.75)

# Independent Directors



## Who are Independent Directors???

As per Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an 'Independent Director' shall mean a non- executive director, other than a nominee director of the listed entity who-

- (i) in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
- (ii) is or was not a promoter of the listed entity or its holding, subsidiary or associate Company; or member of the promoter group of the listed entity.
- (iii) is not related to promoters or directors in the listed entity, its holding, subsidiary or associate Company.
- (iv) apart from receiving director's remuneration, has or had no material pecuniary relationships with the listed entity, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
- (v) none of whose relatives
  - A) holding securities of or interest in face value in excess of fifty lakhs or two percent of the paid up capital
  - B) indebted in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year
  - C) has given a guarantee or providing any security in connection with the indebtedness of any third person
  - D) has any other pecuniary transaction or relationship with the listed entity, it's holding, subsidiary or associate company.

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower.

# Continued.....

- (vi) holds neither himself, nor whose relative(s)-
  - (a) Holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate Company (or any promoter group Company) in any of the three financial years immediately preceding the financial year in which is proposed to be appointed. .(in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment)
  - (b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
    - (1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate Company; or
    - (2) Any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm.
  - (c) holds together with his relatives two percent or more of the total voting power of the listed entity.
  - (d) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty –five percent or more of its receipts from the listed entity, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the listed entity.
  - (e) is a material supplier, service provider or customer or a lessor or lessee of the listed entity.
- (vii) Who is not less than 21 years of age.
- (viii) Who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director

# Independent Directors under SEBI (LODR) Regulations, 2015 & the Companies Act, 2013

As per Chapter IV, Regulation 17 of the SEBI (LODR) Regulations, 2015:

- ◆ Not less than 50% of the board shall comprise of Non-Executive Directors with at least one Woman Director.
- ◆ Independent Directors –

*Where the Chairperson of the board is non-executive Director:*

*At least 1/3<sup>rd</sup> of board shall comprise of Independent Directors.*

*Where there is no regular non-executive chairperson on the board:*

*At least 1/2 of board shall comprise of Independent Directors.*

# Continued....

- ◆ Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying positions at the level of the Board of Director or one level below the board of directors, at least half of the Board of Directors shall consist of Independent Directors.
- ◆ A director shall not be a member in more than 10 Committee or act as chairman of more than 5 Committees across all listed entities in which he is a director. Furthermore, every director shall inform the listed entity about the Committee positions he occupies in other listed entities and notify changes as and when they take place.
- ◆ No Director shall be appointed or continue the directorship as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. (Reg. 17(1A))
- ◆ At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary incorporated in India. (Reg. 24)
- ◆ The performance evaluation shall be done by the entire board of directors which shall include-
  - (i) performance of the directors
  - (ii) fulfillment of the independence criteria as specified in these regulations and their independence from the management

## **As per section 149 (4) of the Companies Act, 2013:**

- ◆ Every listed Public Company shall have at least 1/3rd of the total number of directors as independent directors.
- ◆ The Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

## Continued....

- **As per section 150(1) of the Companies Act, 2013,** Independent director may be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for the use by the company making the appointment of such directors: Provided that responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the company making such appointment.
- Central Government has notified the Indian Institute of Corporate Affairs at Manesar (Haryana), as an institute to create and maintain a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, for the use of the company making the appointment of such directors.

## Continued....

### ◆ COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS), RULES, 2014.

- The provisions of the amended rules shall be applicable to all individuals who intend to be appointed as an Independent Directors and shall also cover all existing independent directors to comply with the same within 3 months of commencement of the provisions.
- An online application is required to be made to IICA for the inclusion of name in the data bank for a period of 1 year or 5 yrs or lifetime and renewal applications are also required to be made within a period of 13 Months from such commencement (i.e. upto 31st December 2020).
- Every individual whose name is included in the databank is required to qualify online Proficiency Test covering company law, securities law, basic accountancy etc. within a period of 2 year.

# Continued....

- ◆ **COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS), RULES, 2014.**
- ◆ MCA has granted an exemption to the Directors or KMP's, not be required to pass the online proficiency self-assessment test when he has served for a total period of not less than three years as on the date of inclusion of his name in the data bank
  - (A) as a director or KMP, in one or more of the following namely:-
    - (a) listed public company; or
    - (b) unlisted public company having a paid-up share capital of rupees ten crore or more; or
    - (c) body corporate; or
    - (d) bodies corporate incorporated outside India having a paid-up share capital of US\$ 2 million or more; or
    - (e) statutory corporations set up under an Act of Parliament or any State Legislature carrying on commercial activities; or
  - (B) in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling prescribed matters.

## Continued....

### ◆ COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS), RULES, 2014.

(C) In the pay scale of Chief General Manager or above in the SEBI or the RBI or the Insurance Regulatory and Exchange Board or the RBI or the IRDA or the Pension Fund Regulatory and Development Authority and having experience in handling the matters relating to corporate laws or securities laws or economic laws

- Provided also that the following individuals, who are or have been, for at least ten years :—
  - (I) an advocate of a court; or
  - (II) in practice as a chartered accountant; or
  - (III) in practice as a cost accountant; or
  - (IV) in practice as a company secretary,
- Further, an individual has to score a minimum of 50% marks in the proficiency test as may be conducted by the IICA to pass the test. There is no limit on number of attempts to qualify the same within 1 year.

# Tenure and obligations of Independent Directors

## As per Regulation 25 of Listing Regulations:

- ◆ (1) No person shall be appointed or continue as an alternate director for an independent director of a listed entity.
- (2) The appointment, reappointment or removal of an independent director of a listed entity, shall be subjected to the approval of shareholders by way of a special resolution.
- (3) The Independent Directors shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management.
- (4) The independent directors shall, inter-alia, review the performance of non-independent directors & chairperson of the listed entity, assess the quality, quantity and timeliness of flow of information between the management and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties of the listed entity.
- (5) An independent director shall be held liable only in respect of such act of omission or commission by the listed entity which had occurred with his/her knowledge, attributable through process of board of directors and with his/her consent or connivance or where he/she had acted diligently with respect to the provisions contained in these regulations.
- ◆ As per section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of special resolution by the Company.
- ◆ As per section 149(11), no director shall hold more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent directors.

# Need of Independent Directors

- ◆ Independent directors broadly fit into overall structure of Corporate governance and are necessary to ensure effective balanced boards.
- ◆ The board is the most significant instrument of corporate governance .
- ◆ Effectiveness of the board as the oversight body to oversee what the management does.
- ◆ Independent of Directors are important, in view of :-
  - Recent Scandals of disclosures & duties.
  - Size and scope of present day enterprise.
  - Complexity of operations.

# Code For Independent Directors

**Schedule IV of the Companies Act, 2013** provides guidelines of Professional conduct for an Independent director.

## **An Independent director of the Company shall:**

- Uphold ethical standards of integrity and probity.
- Act objectively and constructively while exercising his duties.
- Exercise his responsibilities in a bona fide manner in the interest of the Company.
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- Not allow any extraneous considerations that will vitiate his exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- Refrain from any action that would lead to loss of his independence.
- Where circumstances arise which make an independent Director lose his independence, the independent director must immediately inform the Board accordingly.
- Assist the Company in implementing the best corporate governance practices.

# Roles & Responsibilities



*Directors*

# Role & Functions of Independent Directors

The Independent Directors shall:

- Help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct.
- Bring an objective view in the evaluation of the performance of board and management.
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- Safeguard the interests of all stakeholders, particularly the minority shareholders.
- Balance the conflicting interest of the stakeholders.
- Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management shareholder's interest.

# Duties & Responsibilities of Independent Directors

- ◆ Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- ◆ Seek appropriate clarification or amplification of information and, where necessary, if required take and follow appropriate professional advice and experts at the expense of the Company.
- ◆ Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
- ◆ Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- ◆ Strive to attend the general meetings of the Company.
- ◆ Where they have concerns about the running of the company or proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concern are recorded in the minutes of the Board meeting.
- ◆ Keep themselves well informed about the Company and the external environment in which it operates.

## Continued...

- ◆ Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- ◆ Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves same are in interest of the Company.
- ◆ Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.
- ◆ Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- ◆ Acting within his authority, assist in protecting the legitimate interest of the Company, shareholders and its employees.
- ◆ Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

# Rights of Independent Directors

- ◆ Right to attend and vote in every board meeting.
- ◆ Right to be appointed in various committees.
- ◆ Right to demand information on every business matter.
- ◆ Right to seek clarifications / justifications.
- ◆ Right to dissent.

# **POLICIES APPLICABLE TO INDEPENDENT DIRECTORS**

- ◆ *Code for Independent Directors as per the Companies Act, 2013- Schedule IV of the Companies Act, 2013.*
- ◆ *Company's Code of Business conduct.*
- ◆ *Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per SEBI (Prohibition of Insider Trading) Regulations, 2015.*



THANK  
you