



## **PINNACLE INDUSTRIES LIMITED**

CIN: U50300PN1996PLC100600

9th Floor Panchshil Tech Park 1, Besides Rahul Theatre, Shivajinagar, Pune, Maharashtra –  
411005, India.

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### **POLICY FOR INDEPENDENT DIRECTORS**

#### **1. Introduction**

A director is independent when he or she has no relationship of any kind whatsoever with the Company, its group or the management of such a nature that may colour his or her judgment. Accordingly, an independent director is understood to be not only a non-executive director, i.e. one not performing management duties in the Company or the group, but also one devoid of any particular bonds of interest (significant shareholder, employee, other) with them.

Although the quality of the Board of Directors cannot be defined simply by reference to a percentage of independent directors, it is important to have on the Board of Directors the presence of a significant proportion of independent directors not only in order to meet the regulatory requirements but also in order to improve the quality of proceedings.

The independent directors should account for half the members of the Board in case the Chairman of the Board is executive and at least a third in case the Chairman of the Board is non-executive.

To establish the continuity of independent status of each independent director, each independent director will be required to submit a declaration of Independence and a confirmation to the effect that he/she meets the criteria of independence in accordance with the Form enclosed hereinafter as Annexure 1.1. to the Corporate Secretarial Department in April each year. After reviewing the responses in the form, the Company Secretary will make a report regarding fulfillment of criteria for independence by each independent director to the Chairperson of the Nomination and Remuneration Committee.

The Board of Directors may consider that, although a particular Director meets all of the above criteria, he or she cannot be held to be independent owing to the specific circumstances of the person or the Company, due to its ownership structure or for any other reason.

#### **2. Determination of Independence of a Director**

An Independent Director should meet the requirements of Section 149 of the Companies Act, 2013 ('Act') and rules made thereunder read with Schedule IV of the Act concerning independence of directors.

## ANNEXURE 1.1

### Declaration of Independence

[Pursuant to section 149(7) of the Companies Act, 2013]

To,  
The Board of Directors,  
**Pinnacle Industries Limited,**  
9th Floor, Panchshil Tech Park 1,  
Besides Rahul Theater, Shivajinagar,  
Pune, Maharashtra – 411005.

#### **Subject: Declaration under Section 149 of the Companies Act, 2013**

Dear Sir/Madam,

I, \_\_\_\_\_s/o\_\_\_\_\_, resident of \_\_\_\_\_, hereby declare that I am not disqualified to act as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, and I meet the criteria and further I declare that:

- (1) I am or was not Promoter of the Company or its Holding, Subsidiary or Associate Company
- (2) I am or was not related to Promoters or Directors of the Company or its Holding, Subsidiary or Associate Company
- (3) I do not have or had pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, with the Company, its Holding Company, its Subsidiary Company or Associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year.
- (4) None of my relatives:
  - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- (5) I neither myself nor with my relatives:
- (a) hold or have held the position of a Key Managerial Personnel or have been employee of the Company or its Holding, Subsidiary or Associate Company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;
  - (b) is or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of:
    - (i) a firm of auditors or company secretaries in practice or cost auditors of the company or its Holding, Subsidiary or Associate Company; or
    - (ii) any legal or a consulting firm that has or had any transaction with the Company, its Holding, Subsidiary or Associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - (c) hold together with his relatives two per cent or more of the total voting power of the Company; or
  - (d) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its Holding, Subsidiary or Associate Company or that holds two per cent or more of the total voting power of the Company; or
  - (e) I also possess appropriate skills, experience and knowledge in one or more fields as prescribed under Rule 5 of Companies (Appointment and Qualification of Directors) Rules, 2014, in compliance with Code of Independent Directors as per Companies Act 2013.

Signature : \_\_\_\_\_

Date: \_\_\_\_\_

Name :

DIN :

## INTERPRETATION:

For the purpose of this questionnaire/declaration:

- **“Company”** means Pinnacle Industries Limited.
- **“Promoter”** means a person who has been named as such in a prospectus or is identified by the company in the annual; or who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act. A person who is acting merely in a professional capacity is not covered under the scope of this definition.
- **“Associate Company”** in relation to another company, means a company in which that other company exercises control of at least twenty per cent of total share capital, or of business decisions under an agreement, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
- **“Pecuniary Relationship”** does not include any remuneration, commission or sitting fees paid to the Directors.
- **“Key Managerial Personnel”** means:
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such Other officer as may be prescribed.
- **“Subsidiary/Subsidiaries”** shall have the same meaning as defined under the Companies Act, 2013.
- **“Relative”**, with reference to any person, means anyone who is related to another, if they are members of a Hindu Undivided Family and shall include Spouse, Father (including step- father), Mother (including step-mother), Son (including step-son), Son’s wife, Daughter (Daughter’s husband, Brother (including step-brother), Sister (including step-sister).