



## **POLICY FOR INDEPENDENT DIRECTORS**

### **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.

### **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 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors.

Further, the provisions of the Act state that the criteria for determining qualifications, positive attributes and Independence of a Director must be disclosed in the Directors' Report.



**CG Power and Industrial Solutions Limited**  
**(Formerly Crompton Greaves Limited)**

Registered Office:

CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India

T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com

Corporate Identity Number: L99999MH1937PLC002641



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**ANNEXURE 1.1**

To  
Board of Directors  
**CG Power and Industrial Solutions Limited**  
6<sup>th</sup> Floor, CG House,  
Dr. Annie Besant Road,  
Worli, Mumbai – 400 030

**CERTIFICATE OF INDEPENDENCE**

In terms of the provisions of Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I , \_\_\_\_\_ , (DIN: \_\_\_\_\_) aged \_\_\_ years and resident of \_\_\_\_\_ an Independent Director of the Company hereby confirm the following:

1. I am not a Promoter of the Company or its Subsidiary or Associate Company;
2. I am not relative of a Promoter of the Company or its Subsidiary or Associate Company;
3. I do not have nor have I had any pecuniary relationship with the Company or its Subsidiary or Associate Company, or their Promoters, or Directors, during the 2 immediately preceding financial years or during the current financial year;
4. None of my relatives have or had any pecuniary relationship or transaction with the Company or its Subsidiary or Associate Company, or Promoters or Directors of such Companies during the 2 immediately preceding financial years or during the current financial year;
5. Neither I nor my relatives currently hold the position of a Key Managerial Personnel (KMP) in the Company or its Subsidiary or Associate Company
6. Neither I nor my relatives held the position of a Key Managerial Personnel (KMP) in the Company or its Subsidiary or Associate Company in any of the preceding three financial years
7. Neither I nor my relatives currently employed by the Company, or its Subsidiary or Associate Company
8. Neither I nor my relatives been employed by the Company or its holding, subsidiary or associate company in any of the preceding three financial years
9. Neither I nor my relatives are an employee or proprietor or a partner of :
  - (i) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;
  - (ii) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm



AVANTHA  
GROUP COMPANY

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10. Neither I nor my relatives been, in any of the preceding three financial years, an employee or proprietor or a partner of :

- (i) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company;
- (ii) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm

11. Neither I nor my relatives hold 2% or more of the total voting power of the Company;

12. Neither I nor my relatives hold any position in any non-profit organization that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of such non-profit organization;

13. I am not a material supplier/customer of the Company or a lessor or lessee of the Company

I further confirm that I shall abide by the Code of Independent Directors under Schedule IV of the Companies Act, 2013.

I further undertake to report back to the Board if and when I have any such relationship/ transactions that may affect my Independence.

Date

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
DIN : \_\_\_\_\_



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**INTERPRETATION:**

For the purpose of this questionnaire/declaration:

- **“Company”** means CG Power and Industrial Solutions 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 has 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 any one who is related to another, if they are members of a Hindu Undivided Family and shall include Spouse, Father (including step-father), Father’s father, Father’s mother, Mother ( including step-mother), Mother’s mother, Mother’s father, Son ( including step-son), Son’s wife, Son’s son, Son’s daughter, Daughter (including step-daughter), Daughter’s husband, Brother ( including step-brother), Sister (including step-sister).

