



ANUH PHARMA LTD.

3-A, Shivsagar Estate, North Wing,
Dr. Annie Besant Road, Worli, **MUMBAI** - 400 0 18. **INDIA**
Tel. : 91-22-6622 7575 • Fax : 91-22-6622 7600 / 7500
E-Mail : anuh@sk1932.com • CIN:U24230MH1960PLC011586

CIN No.: L24230MH1960PLC011586

ANUH PHARMA LIMITED

POLICY ON THE TRANSACTIONS WITH THE RELATED PARTIES

1. Object:

The Policy on the Transactions with the Related Parties ("This policy") is intended to ensure the proper approval and reporting of transactions between the Company and the Related Parties. Such transactions are appropriate only if they are in the interest of the Company and the stockholders. The Company is required to disclose in the Annual Report, the transactions between the Company and Related Parties. In addition, the Audit Committee and the Board will review any Related Party Transactions involving non-employee directors as part of the annual determination of their independence.

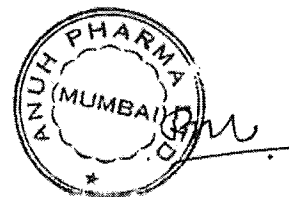
This Policy is in addition to the provisions dealing with conflicts of interest in the Company's Code of Conduct for the Board of Directors and Senior Management.

2. Commencement:

This Policy was considered and approved by the Board at its Meeting held on 13th August, 2014 to be effective from 1st October, 2014.

3. Definitions:

The terms "Arm's Length Transaction", "Related Party" or "Related Parties", "Relative" and "Related Party Transaction" shall have the same meaning as assigned to them under the Companies Act, 2013. The term "Material Related Party Transaction(s)" shall have the same meaning as assigned to it under Clause 49 of the Listing Agreement.



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Notwithstanding the foregoing, the following shall not be deemed Related Party Transactions:

- (a) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business in compliance with the Companies Act, 2013 and the rules made thereunder;
- (b) Indemnification and advancement of expenses made pursuant to the Company's Articles of Association;
- (c) Contributions by the Company to a charitable organization, foundation or university (including Sevantilal Kantilal Trust, Foundation mainly for medical and educational charity) registered with the Charity Commissioner at which a Related Party is a trustee, director, or employee, provided that the contribution is 4% of profit before tax of Rs.12 lakhs whichever is lower.

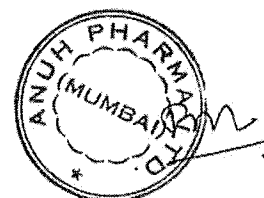
4. Identification of Potential Related Party Transactions:

Each director, nominee for director and Key Managerial Personnel is responsible for providing written notice to the Board of Directors of any potential Material Related Party Transaction involving him or her or his or her Relative(s), including any additional information about the transaction that the Board may reasonably request. The Board after discussion among themselves and if required in consultation with the outside counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Material Related Party Transaction well in advance so that the Chief Financial Officer/ Head of Finance has adequate time to obtain and review information about the proposed transaction and to refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances, however.



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5. Review and Approval of Related Party Transactions:

All Related Party Transactions must be reported to the Chief Financial Officer/ Head of Finance and referred for approval or ratification by the Audit Committee and the Board of Directors of the Company.

Related Party Transactions will be referred to the Audit Committee and the Board for review and approval or ratification.

To review a Related Party Transaction, the Audit Committee / Board will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve or ratify a Related Party Transaction, the Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise independent director or nominee for director;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director, nominee for director or Key Managerial Personnel of the Company.





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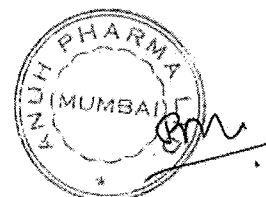
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In any case where the Audit Committee and / or the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee / Board as the case may be may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

6. Tests to be applied for determining whether a Related Party Transactions is in the Ordinary Course or not:

For determining whether a proposed transaction with a Related Party is in ordinary course of business or not, the following tests shall be applied:

- (a) If the Company has need of good(s) and /or services and the Related Party is in the business of supplying the said goods and / or rendering services;
- (b) If the Company supplies products of the category manufactured by it whether manufactured or outsourced or out of the existing inventory of raw material, stores, spares, consumables, finished or semi-finished goods which are not immediately required by the Company;
- (c) If the Company sells an asset (of not exceeding 2% of the book value of the total assets as at the latest audited financial statement) which is not required by it for its business, operations, project or capex;
- (d) If the Company purchases an asset (of not exceeding 5% of the book value of the total assets as at the latest audited financial statement) required by it for its business or operations, project or capex;
- (e) If services are commonly required and the sharing of charges is based on its share of availment of the total volume of services;



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7. Tests to be applied for determining whether a Related Party Transactions is at Arm's Length or not:

A. Cost Plus Method (hereinafter referred to as 'CPM')

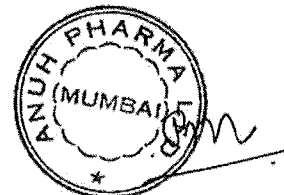
CPM is used in respect of the transfer of goods, intangible property or service provided by one Related Party to another. The gross profit mark-up arising from the provisions of same or similar property or services by an assessee or by an unrelated party in a comparable uncontrolled transaction is identified. The gross profit mark-up of the comparable uncontrolled transaction must be computed as per the same accounting norms as used by the assessee. This mark-up is adjusted to take into account the differences in the functions and other aspects of the controlled transaction and the uncontrolled transaction or the party entering into such transactions which could materially affect the mark-up in open market. The direct and indirect costs of production incurred in respect of the goods/intangible properties/services are increased by the adjusted gross profit mark-up to arrive at the arm's length price.

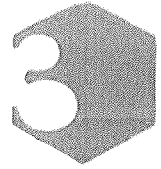
Nature of transaction covered by this method

a) For sale of goods / Job work done.

Comparison of the arms length price shall be made in the following manner

Sr. No.	Invoice Date	Name of Associated Enterprise	Product Name	Qty	RPT Gross Margin (In %)	APL total Gross Margin (In %)
(a)	(b)	(c)	(d)	(e)	(f)	(g)





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B. Other Methods including other methods as may be prescribed by the Central Board of Direct Taxes ("CBDT")

The CBDT vide notification dated May 23, 2012, by inserting new Rule 10AB in the Income Tax (Rules) 1962, has now prescribed "other method" for determination of arm's length price of an international transaction. As per the aforesaid new rule, the "other method" shall be any method which takes into account the price which:-

- has been charged or paid, or
- would have been charged or paid,

for the same or similar uncontrolled transaction with or between unrelated parties, under similar circumstances.

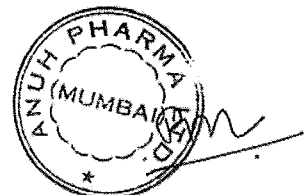
Any other method of determination of the arm's length price as may be by the CBDT, Ministry of Finance from time to time shall be deemed to incorporated herein in this Policy by reference.

Nature of transaction covered by this method

- a) For selling commission
- b) Pure reimbursement of exhibition expenses
- c) Pure reimbursement of common registered office sharing expenses

The CFO / Head of Finance of the Company shall ensure that the Related Party Transactions entered into in ordinary course and at an arm's length are supported by requisite documentation to substantiate the compliance of policy. The note/s submitted to the Audit Committee and the Board seeking their approval/ratification will, inter alia, clearly state which tests have been applied while categorizing the RPTs as "in ordinary course of business" and "at arm's length".

At every Audit Committee Meeting, the CFO / Head of Finance of the Company will certify to the Committee that the transactions entered into in the reporting quarter were in ordinary course of business and at arm's length in terms of the aforesaid policy and in other cases approval of the Audit Committee and the Board has been obtained or would be obtained.



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8. General

- a) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Chairman of the Audit Committee. In all such matters, the interpretation & decision of the Chairman of the Audit Committee shall be final.
- b) Any or all provisions of this Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued under the provisions of Section 188 of the Companies Act, 2013 and Listing Agreement, from time to time.
- c) In the event of any conflict between the provisions of this policy and the applicable provisions of the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail.
- d) The Company reserves the right to modify, cancel, add or amend any provisions of this Policy.

By order of the Audit Committee

J. G. Shah
Chairman
(DIN: 00372600)



By order of the Board
For Anuh Pharma Limited

Bipin Shah
Managing Director
(DIN: 00083244)

Place: Mumbai
Date: 13th August, 2014