



## **ANUH PHARMA LTD.**

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# **NOMINATION & REMUNERATION POLICY**



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## ANUH PHARMA LIMITED NOMINATION & REMUNERATION POLICY

### 1. INTRODUCTION

In compliance with the requirements set out in the Companies Act, 2013 (“Companies Act”), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Nomination and Remuneration Committee (“NRC”) of Anuh Pharma Limited (“the “Company”) has formulated this Nomination and Remuneration Policy (“Policy”) in order to set our principles, parameters and governance framework of the appointment and remuneration for Directors, Managing Director & CFO, Key Management Personnel and other employees of the Company as per the Regulations.

The Company is committed to attracting and retaining the best people to work in the organization, including Board of Directors, Key Managerial Personnel and Senior Management. A key element in achieving that objective is to ensure that the Company is able to appropriately remunerate the key personnel in the organization.

The Company is committed to the application of good management practices, compliance of law and adherence to ethical standard and commitment to values.

The Nomination and Remuneration Policy of Anuh Pharma Limited (hereinafter referred to as the "Policy") is designed to attract, motivate and retain manpower in a competitive market. The policy reflects the Company's objectives for good Corporate Governance and compliance of Section 178 and other applicable provisions of the Companies Act, 2013.

### 2. APPLICABILITY

The Policy applies to the Company's Board of Directors, Key Managerial Personnel and Senior Management of the Company.

### 3. OBJECTIVE OF THE POLICY

The objective of the Policy is to attract, motivate and retain qualified Board, Key Managerial Personnel and Senior Management having industry experience. The remuneration structure for the Board, Key Managerial Personnel & Senior Management is aimed at an optimum balance between the Company's short-term results and long-term objectives.



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## 4. DEFINITIONS

1. “**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time;
2. “**Board**” means Board of Directors of the Company;
3. “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations;
4. “**Company**” means Anuh Pharma Limited;
5. “**Directors**” means directors of the Company;
6. “**Independent Director**” means a director referred to in Section 149(6) of the Act and rules thereunder, and Listing Regulations;
7. “**Key Managerial Personnel**” (‘KMP’) means (i) Key Management Personnel as defined under regulation 2(k) of the Depository Regulations and (ii) Key Management Personnel as defined under regulation 2(o) of the Listing Regulations; and (iii) Key Managerial Personnel defined under Section 2(51) of the Companies Act. following people, which includes people identified by the Company under provisions of the Act and Listing Regulations.
  - a. the Managing Director or Chief Executive Officer or manager
  - b. Whole-time Director
  - c. the Company Secretary;
  - d. the Chief Financial Officer; and
  - e. any other person as defined under the Act from time to time.
8. “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto;
9. “**Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief



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Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

**10. "NRC"** means the Nomination and Remuneration Committee constituted by the Governing Board from time to time.

**11. "SEBI"** means the Securities and Exchange Board of India.

## **5. INTERPRETATION:**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Act, Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

## **6. NOMINATION AND REMUNERATION COMMITTEE**

### **A. Constitution**

The Nomination and Remuneration Committee will consist of three or more nonexecutive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. The Chairperson of the nomination and remuneration committee shall be an independent director.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable statutory requirements. The quorum for a meeting of the Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

The meeting of Committee shall be held at least once in year or at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Committee members may attend the meeting physically or through Video conference or through permitted audio -visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s),



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senior official(s) and / or externals, as it deems fit.

## **B. Terms of Reference**

Nomination and Remuneration Committee shall:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management;
- b) Identify persons who are qualified to become directors or who may be appointed in senior management or other Key Management positions, in accordance with the criteria laid down, and to recommend to the Governing Board their names for appointment or removal;
- c) Shall specify the manner for effective evaluation of performance of its committees and individual directors;
- d) Shall formulate the criteria for determining qualifications, attributes, diversity and independence of a director and recommend to the Governing Board a policy, relating to the remuneration for the directors, Managing Director & CFO and other key management personnel;
- e) formulation of criteria for evaluation of Independent Directors and the Board;
- f) to determine, with delegated responsibility, the remuneration packages of individual executive directors, KMPs and SMs, including benefits in kind, including any compensation payable for loss or termination of office or appointment;
  - i. devising a policy on Board diversity;
  - ii. identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
  - iii. The Committee shall carry out criteria and evaluation of performance of Company, Independent Directors and the Board of Directors and its Committees annually.



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## C. ROLE AND POWERS OF THE COMMITTEE:

### 1. Nomination:

The Roles and Powers of the Nomination and Remuneration Committee in relation to its nomination function are to:

- a) be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies and vacancies at the level of Key Managerial Personnel (KMPs) & Senior Management (SMs) as and when they arise, as well as putting in place plans for succession, including for Board Members, Managing Directors (MDs), KMPs and in particular, with respect to the Chairman of the Board and the Chief Executive Officer;
- b) ensure that on appointment to the Board, non-executive directors receive a formal of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board Meetings;
- c) To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meet appropriate performance benchmarks.
- d) To formulate the Nomination and Remuneration policy of the Company and propose any amendments.
- e) To assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board, Key Managerial Personnel and to senior management.
- f) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- g) To carry out any other function as is mandated by the Board from time to time and /or enforced by the statutory notification, amendment or modification, as may be applicable.



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- h) The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by him/her, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.
- i) The Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and /or Officers of the Company, as deemed necessary for proper and expeditious execution.
- j) regulate its affairs in such manner as it may deem fit; and
- k) exercise such other powers as may be delegated by the Board from time to time.

### **2. Remuneration**

The Powers of the Nomination and Remuneration Committee in relation to its remuneration function are to:

- a) make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board;
- b) make proposals for re-appointments of the Directors;
- c) review the Nomination and Remuneration policy and framework for Directors and top Management;
- d) make recommendations to the Board on the remuneration of the Directors, KMPs & SMs;
- e) recommend to the board, all remuneration, in whatever form, payable to senior management.
- f) regulate its affairs in such manner as it may deem fit; and
- g) exercise such other powers as may be delegated by the Board from time to time.



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## 3. Frequency of the Meetings

The nomination and remuneration committee shall meet at least once in a year.

## 7. CRITERIA FOR DETERMINING QUALIFICATIONS AND POSITION ATTRIBUTES OF A DIRECTOR/KMP/SENIOR MANAGEMENT AND HIS/HER REMUNERATION

This Criteria is divided in two parts:

- Part - A covers the appointment and nomination; and
- Part - B covers remuneration and perquisites etc.

“PART - A”

### POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

#### ❖ Appointment criteria and qualifications:

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- c. Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### ❖ Term / Tenure:

##### 1. **Managing Director/Whole-Time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Executive Directors for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.



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## 2. Independent Director:

- a. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report.
- b. No Independent Director shall hold office for more than two consecutive terms of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- c. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- d. The independent directors of the listed entity shall hold at least one Meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such Meeting.
- e. The independent directors in the Meeting referred in point (iii) above shall, inter alia-
  - i. review the performance of non-independent directors and the board of directors as a whole;
  - ii. review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
  - iii. assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
- f. An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the



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provisions contained in these regulations.

- g. An independent director who resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next Meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

- h. The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:
- i. nature of the industry in which the listed entity operates;
  - ii. business model of the listed entity;
  - iii. roles, rights, responsibilities of independent directors; and
  - iv. any other relevant information.

The details of such familiarization programs shall be disclosed on the Company's website [www.anuhpharma.com](http://www.anuhpharma.com).

- g. The Committee shall not recommend the appointment of a person or continue the directorship of any person 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.
- h. The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

### ❖ **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



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## “PART – B”

### **POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL:**

#### **❖ General:**

- a) The Remuneration / Compensation / Profit linked Incentive / Commission etc. to Managing Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive / Commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- c) Managing Director, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The breakup of the pay scale and quantum of perquisites including, employer’s contribution to P.F, pension scheme, medical expenses, club fees etc. as may be applicable shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- e) If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.



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- f) Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

### ❖ **Remuneration Packages for Executive Directors and Senior Executives**

Remuneration for Executive Directors and Senior Executives may incorporate fixed and variable pay performance elements with both a short term and long term focus. Remuneration packages may contain any or all of the following:

- a) annual basic salary - reflecting the value of the individuals' personal performance, their ability and experience, as well as the Company's obligations at the law and labour market conditions and should be relative to the scale of the business of the Company;
- b) performance based remuneration - rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution having regard to clearly specified performance targets;
- c) other benefits - such as holidays, sickness benefits superannuation payments and long service benefits;
- d) expense reimbursement - for any expenses incurred in the course of the personnel's duties; and
- e) termination payments - any termination payments should reflect contractual and legal obligations and will not be made when an executive is removed for misconduct.

The Directors and Senior Executives including KMPs and any other employee as per the Employees Stock Option Scheme, if any, introduced by the Company in the future, would be entitled for stock options. Independent Directors shall not be entitled to any stock option as per section 149(9) of the Companies Act, 2013.

### ❖ **Remuneration to Non-Executive / Independent Directors:**

- a) Remuneration / Profit Linked Commission:

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.



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## b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

## **8. DIRECTORS AND OFFICER'S LIABILITY INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

## **9. DISCLOSURE OF INFORMATION**

Information on the total remuneration of members of the Company's Executive Director(s) may be disclosed in the Company's Annual Report.

## **10. REVIEW AND AMENDMENT TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any statutory changes necessitating the amendment in the policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## **11. GENERAL**

In case of any doubt with regard to any provision of the policy and in respect of matters



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not covered herein, a reference to be made to the Chairman of the Nomination and Remuneration Committee. In all such matters, the interpretation and decision of the Chairman of the Nomination and Remuneration Committee shall be final.

Any or all provisions of the Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued under the provisions of Section 178 of the Companies Act, 2013, from time to time.

In the event of any conflict between the provisions of Policy and the applicable provisions of the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail.