

**POLICY ON
RELATED PARTY
TRANSACTIONS**

OF

**MPS PHARMAA
LIMITED
(FORMERLY
ADVİK
LABORATORIES
LIMITED)**

1. Preamble:

The Board of Directors (the “Board”) of **MPS PHARMAA LIMITED** (Formerly Advik Laboratories Limited) (the “Company”) has, basis the recommendation of the Audit Committee, adopted this Related Party Transactions Policy (this “Policy”), in line with the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

This Policy applies to transactions between the Company and its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

2. Objective:

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) /re-enactment(s) thereof] (“Listing Regulations”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

3. Applicability:

This Policy applies to the transactions between the Company and its Related Parties. Transactions covered under this policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as “Related Party Transaction”. This Policy on Related Party Transaction shall be governed by Section 188 of the Companies Act, 2013 read with Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

4. Definitions:

“The Company” means the **MPS Pharmaa Limited**

“Arm’s length Transactions” means a transaction between two Related Parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

“Board” in relation to the company means the collective body of the Directors of the company, from time to time.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Key Managerial Personnel” (‘KMP’) means a person who is a KMP, as defined under Section 2(51) of the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes:

- (a) the Chief Executive Officer or the managing director or the manager;
- (b) the Company Secretary;
- (c) the Whole-Time Director;
- (d) the Chief Financial Officer;
- (e) such other officer, not more than one level below the directors who is in whole time employment, designated as Key Managerial Personnel by the Board; and
- (f) such other officer as may be prescribed.

“Listing Regulation” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Material modification” means any modification made in the value of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 20% or more or by which the transaction ceases to be in ordinary course and/or on arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 Crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, (whichever is lower).

Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated.

“Ordinary Course of Business” would have the meaning as defined by the Institute of Chartered Accountants of India & Companies Act, 2013, and as per the guidelines and judicial and other pronouncements, as applicable from time to time. In general, the term “Ordinary course of business” shall include the usual transactions, customs and practices

of the company, or transactions permitted by the Object Clause in the Memorandum of Association of the Company, or transactions that are considered while computing the business income / revenue / turnover of the Company as opposed to “income from other sources”.

“Policy” means Policy on Materiality of Related Party Transactions on Dealing with Related Party Transactions.

“Related Party or Related Parties” means related party as defined under Section 2(76) of the Companies Act, 2013 read with sub-regulation (zb) of Regulation 2 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

[The following shall also be treated as the Related Party –

- a. all persons or entities forming part of promoter or promoter group irrespective of their shareholding;
- b. any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year:
 - i. to the extent of 20 % or more
 - ii. to the extent of 10% or more w.e.f. April 1, 2023].

“Related Party Transaction” means any transaction or arrangement in which the Company and Related Party are contracting parties either directly or indirectly as defined under Section 188 of the Companies Act, 2013 and sub-regulation (zc) of Regulation 2 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments issued from time to time.

[The RPT shall include transactions between –

- a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries w.e.f. April 1, 2023.]

“Relative” with reference to a director or a Key Managerial Personnel relative mean persons defined under Section 2(77) of the Companies Act, 2013 read with amendments issued from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, or SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any

other laws or regulations from time to time.

5. Identification of Related Party Transactions:

All Directors and Key Managerial Personnel are required to disclose their concern/interest in other companies, body corporates, firms or other Association of Persons (AOPs) including shareholdings along with their list of relatives to the Company at the beginning of every financial year and at the first Board meeting wherein they participate and whenever there is any change in their disclosures already made as per the provisions of the Companies Act, 2013.

They are also required to intimate the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/her Relatives, including any additional information about the transaction that the Board / Audit Committee may reasonably request. The said list of identified Related Parties is shared with the concerned Department to identify and decide on treatment of Related Party Transactions.

6. Materiality Threshold:

A transaction with a related party will be deemed material only if it exceeds the limit specified under sub-regulations (1) and (1A) of Regulation 23 of the Listing Regulations, as outlined below:

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

In addition, if the relevant Regulatory Authorities prescribe any new threshold limits or amendments to the existing limits under the Listing Regulations or the Companies Act, 2013, the updated thresholds shall apply to the company as and when they take effect.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

7. Procedure for approval of Related Party Transaction:

All related party transactions must be reviewed by the Audit Committee. However, the Company may seek omnibus approval from the Audit Committee for transactions that occur on a recurring basis.

Only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions

If the Audit Committee determine that a related party transaction requires Board review, it will be submitted to the Board for consideration.

Any related party transaction exceeding the specified materiality threshold must receive prior approval from the shareholders, except where exempted under sub-regulation 5 of Regulation 23 of the Listing Regulations.

The transactions which are exempted under the Companies Act or Listing Regulations will be exempted from the approval of the Audit Committee, Board of Directors, or shareholders, as applicable

8. Shareholders' Approval:

All material related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not

9. Criteria for granting Omnibus Approval of Related Party Transactions for repetitive transactions:

Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the company or its subsidiary, if any subject to the following conditions, namely-

- a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- c) repetitiveness of the transactions (in past or in future);
- d) justification for the need of omnibus approval;
- e) the omnibus approval shall specify:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - ii. the indicative base price / current contracted price and the

- formula for variation in the price if any; and
- iii. such other conditions as the audit committee may deem fit:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees One Crore per transaction.

- b. the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approvals given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

- c. Maximum value of transactions in aggregate allowed for the financial year: The Company shall at the beginning of each financial year (in the first Board/ Audit Committee meeting of the Financial year) share the maximum limit for each category of transaction with each of the related parties based on the plan for the financial year. Any deviation from the same will be ratified in the subsequent quarters' Board/Audit Committee meeting along with the rationale for such deviation.
- d. Maximum value per transaction allowed during the year: At the beginning of the financial year, the maximum amount per transaction with related parties to be entered during the year may be indicated. If there is a revised forecast during the year, the same may be updated to the Audit Committee. Any deviation from the same will be ratified in the subsequent quarters 'Audit Committee meeting along with the rationale for such deviation.
- e. Disclosures to be made to the Audit Committee for seeking omnibus approval: Name of the related party, brief description of the transactions, nature and duration of product / service taken / given, value of transaction, the basis for considering the transaction as being at arms' length and in the ordinary course of business along with such other information as the Audit Committee may seek from time to time.
- f. Transactions which are subjected to omnibus approval: Only the transactions which are repetitive in nature and covered above shall be

subject to omnibus approval.

- g. The Audit Committee shall consider the repetitiveness of transactions with the related parties in the past and in future and also the justification of the need for such omnibus approval and shall satisfy itself that there is need to approve repetitive transactions in the interest of the Company. While approving the related party transactions, for maximum of 1 year at a time, the Audit Committee shall indicate the following in the omnibus approval:
 - i. Name of the related parties,
 - ii. Nature and duration of the transaction,
 - iii. Maximum amount of transaction that can be entered into,
 - iv. Any other relevant information including such other disclosures as may be prescribed by law from time to time.
- h) A related party transaction to which the subsidiary of the Company, if any is a party but the Company is not a party, shall require prior approval of the audit committee of the Company, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- i) In case any member of the Committee is interested in the transaction proposed for approval, the interested member shall abstain from voting and only the dis-interested members shall vote on the resolution.
- j) remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the limit of materiality as stated above.
- k) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
 - (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
 - (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;
 - (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

l) Voting requirements:

Any member of the Audit Committee, Board of Directors, or shareholders with a potential interest in a related party transaction shall abstain from participating in discussions or voting on the proposal.

m) Disclosures:

The company shall submit to the Stock Exchanges, where its shares are listed disclosures of related party transactions in the format as specified by the SEBI/Stock Exchanges from time to time, and publish the same on its website.

The company shall make such disclosures every six months within fifteen days from the date of publication of its standalone financial results:

Further the company shall make such disclosures every six months on the date of publication of its standalone financial results with effect from April 1, 2023.

Further, all contracts or arrangements which require Board approval shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The Explanatory Statement annexed to the Notice convening General Meeting for seeking the Shareholders' approval for the Related Party Transaction should contain the following details:

Name of the Related Party;

Name of the Director or Key Managerial Personnel, who is related, if any;

Nature of relationship;

Nature, material terms, monetary value and particulars of contract or arrangement; -

Other relevant or important information which helps Shareholders take a decision [Material RPTs shall be provided in the notice to shareholders]

The Policy on dealing with Related Party Transactions shall be uploaded on the Company's website.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

n) Review of Policy:

The policy will be reviewed every three years and updated as needed to reflect any changes. In the event that any amendment, clarification, circular, or notification is issued by the relevant authority and is inconsistent with this policy, the provisions of such amendment or notification will take precedence. This policy will be deemed amended accordingly, effective from the date specified in the amendment, clarification, circular, or notification.

[This Policy is lastly amended as per the recommendations of the Audit Committee meeting held on February 12, 2025 and approved by the Board of Directors at its meeting held on February 12, 2025.

Further, the Registrar of Companies, NCT of Delhi & Haryana has approved the change in name of the Company from "ADVIK LABORATORIES LIMITED" to "MPS PHARMAA LIMITED" with effect from December 13, 2022. Hence, the name of the company stands changed in the policy, from "ADVIK LABORATORIES LIMITED" to "MPS PHARMAA LIMITED" with effect from December 13, 2022]