



**POLICY ON MATERIALITY OF RELATED PARTY  
TRANSACTIONS AND ON DEALING WITH RELATED  
PARTY TRANSACTIONS**

(APPROVED BY THE BOARD OF DIRECTORS IN THEIR MEETING HELD ON FEBRUARY 3, 2026)

## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

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### **I. Background**

The Board of Directors of Mankind Pharma Limited (“**Company**”) in pursuance of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions (including any statutory enactments / amendments thereof), adopted the policy on materiality of related party transactions and on dealing with related party transactions (the “**Policy**”).

### **II. Purpose**

The changes introduced in the corporate governance norms under Section 188 of the Companies Act, 2013 (“**Companies Act**”), as amended and the rules framed thereunder and Regulation 23 of the SEBI Listing Regulations require companies to have enhanced transparency and due process for approval of the related party transactions.

Accordingly, the Company has framed this Policy with the intent to ensure the proper approval and reporting of related party transactions. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties (as defined below) as well as policies concerning transactions with Related Parties (as defined below).

### **III. Definitions**

“**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” means Audit Committee constituted by the Board, from time to time, under Section 177 of the Companies Act and the SEBI Listing Regulations.

“**Board of Directors**” or “**Board**” means the board of directors of the Company, as constituted from time to time.

“**Industry Standards**” shall mean the Industry Standards on “Minimum information to be provided for review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified and amended by SEBI, from time to time.

“**Key Managerial Personnel**” means key managerial personnel as defined in Section 2(51) of the Companies Act.

“**Material Modifications**” means any change in the terms of a related party transaction which results in change in the value of the transaction by 20% or more, of the approved value of the transaction during a financial year.

“**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 with a Related Party during a financial year, exceeds the thresholds/ criteria as defined or provided under Companies Act and/or SEBI Listing Regulations.

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 turnover, as per the last audited financial statements of the Company.

“**Ordinary Course of Business**” shall include those transactions that satisfy any of the following criteria:

- a. the activity is covered in the objects clause of the Memorandum of Association
- b. the activity is in furtherance of the business
- c. the activity is normal/common or otherwise routine for the pharma business
- d. the activity is repetitive/frequent
- e. the income, if any, earned from such activity/transaction is treated as business income in the company's books of account
- f. there is any historical practice to conduct such activities in the Company
- g. the financial scale of the activity is reasonable with regard to the operations of the Company

The above list is not exhaustive and is indicative and can include other parameters which are relevant from the context of the business of the Company.

**“Related Party(ies)”**, means a related party as defined under Companies Act, SEBI Listing Regulations.

**“Relative”** means a relative as defined under Section 2(77) of the Companies Act read with SEBI Listing Regulations.

**“Related Party Transaction/RPT”** means the transaction as prescribed under Regulation 2(1)(zc) of SEBI Listing Regulations and Section 188 of the Companies Act.

**“Subsidiary”** shall mean a subsidiary as defined under Section 2(87) of the Companies Act.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the SEBI Listing Regulations or any other relevant applicable law or regulation.

#### **IV. Identification of related party transactions**

- Every Director and Key Managerial Personnel shall, as may be applicable to them, provide a declaration containing the necessary details of related parties covered in the definition of Related Party and Relatives to the Company upon their appointment and on an annual basis thereafter. Also, every Director and Key Managerial Personnel shall provide declarations in a timely manner if there has been a change in the details from the last declaration made to the Company.
- Company will identify Related Parties on the basis of definition or criteria as provided under the Companies Act, SEBI Listing Regulations or applicable accounting standards.
- Each director and KMP are responsible for providing notice to the Company of any potential RPT, if not given already in the first Board Meeting of the financial year, involving him/her or his/ her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee/ Board. The Board shall record the Disclosure of Interest, and the Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this policy.
- The Directors and KMPs will ensure that their notice of any potential RPT is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.
- The Subsidiary Company(ies) of the Company shall provide list of its Related Party and RPTs on quarterly basis and update the same, in case of any change, intimate the same.

## **VI. Review and approval of Related Party Transaction**

### **1. Audit Committee**

All Related Party Transactions except the exempted transactions under the Act and/or the SEBI Listing Regulations and subsequent Material Modifications shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions. Any member of the Committee who has a potential interest in any related party transaction will recuse himself or herself and abstain from discussion and voting on the approval of the said transaction.

The remuneration and sitting fees paid by the Company 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 provisions of SEBI Listing Regulations or the Companies Act.

The Company shall provide to the Committee all relevant material information of all Related Party Transaction(s) in compliance with Companies Act and SEBI Listing Regulations.

Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve/modify/reject/recommend/refer the proposed Related Party Transaction for the approval of the shareholders, if required.

### **2. Transactions involving Subsidiaries**

A Related Party Transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company 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, exceeds the lower of the following:

- a) 10% of the annual standalone turnover as per the last audited financial statements of the subsidiary, or
- b) the threshold for material related party transactions of the Company as specified in Schedule XII of the SEBI Listing Regulations.

In case such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following: -

- a) 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- b) the threshold for material RPTs of the Company as specified in Schedule XII of the SEBI Listing Regulations.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee.

### **3. Omnibus approval**

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiary(ies) subject to the following conditions:

- (i) The Audit Committee shall lay down the criteria for granting an omnibus approval in line with this Policy and such approval shall be applicable in respect of Related Party Transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company;

- (iii) Such omnibus approval shall specify (i) the name of the Related Party, nature of Transaction, period of Transaction, maximum amount of Transaction that can 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;
- (iv) Where the need for the RPT cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- (v) 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 approval given;
- (vi) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one financial year.
- (vii) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

#### **4. Board of Directors**

Subject to Clause VI of this Policy, the following RPTs shall require additional, prior approval of Board of Directors:

- (i) All transactions between the Company and its Related Parties which are not in the Ordinary Course of Business, or not proposed to be executed as an Arm's length transaction.
- (ii) Transactions which in the opinion of the Audit Committee, need special consideration / determination by the Board.

Where any director is concerned or interested in any potential RPT, such director shall abstain from discussion and voting when such transaction is being considered.

#### **5. Shareholders**

##### **Transactions not in ordinary course of business or not at arm's length**

All Related Party Transactions in excess of the limits prescribed under the Companies Act, 2013, which are not in the ordinary course of business or not an Arms' length transaction shall require the prior approval of the shareholders through resolution and no member of the Company shall vote on such resolution, if such member is a related party.

##### **Material Related Party Transaction and subsequent Material Modifications**

All Material Related Party Transactions & subsequent Material Modifications therein can be entered into only after obtaining the prior approval of the Company's shareholders by way of a resolution, as prescribed in the Act and/or the SEBI Listing Regulations, irrespective of whether such Related Party Transactions have been entered into in the ordinary course of business of the Company or otherwise, and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

In such a case, any member of the Company who is a related party, shall not vote on resolution passed for approving such RPT.

- (i) The Audit Committee and the Board shall approve and recommend all Material Related Party transactions, before submitting the same for approval of the shareholders of the Company.

The omnibus approval granted by the shareholders for Material Related Party Transactions in an Annual General Meeting (AGM) shall be valid till the date of the next AGM held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time.

In case of omnibus approvals for Material Related Party Transactions, granted by shareholders in general meetings other than AGM, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

The Notice seeking shareholders' approval shall include the information as required under the Act, SEBI Regulations r/w Industry Standards and other relevant circulars/notifications/notes issued thereunder as a part of the explanatory statement.

## **6. Information to be placed for approval**

To determine the need of a Related Party Transaction, the Audit Committee/Board/Shareholders 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 such other minimum information as required to be placed before Audit Committee and Shareholders prescribed under the Industry Standards r/w SEBI Regulations and the Act and rules framed thereunder and relevant circulars/ notes issued and amended from time to time.

## **7. Ratification**

### **By Audit Committee**

The members of 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:

- a) 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;
- b) the transaction is not material in terms of the provisions of SEBI Listing Regulations.
- c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d) the details of ratification shall be disclosed along with the disclosures of related party transactions;
- e) other conditions as specified by Audit Committee.

If the related party transaction has not been ratified by the Audit Committee or if there is failure to seek the ratification, such transaction shall be dealt with in accordance with the applicable laws.

### **By Board and shareholders**

If any related party transaction is entered without obtaining the consent of the Board or Shareholders, as the case may be, the same need to be ratified by the Board or the shareholders, as the case may be, within three months from the date on which such related party transaction was entered into. The Board shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to it under this Policy and shall take any such action it deems appropriate.

If the related party transaction has not ratified by Board or Shareholders as mentioned above, such related party transaction shall be voidable at the option of the Board or, as the case may be, of the Shareholders and if the related party transaction is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

If the Audit Committee/Board/Shareholders decides, not to ratify a particular transaction, then it may direct additional actions including, but not limited to, immediate discontinuation of the transaction, as appropriate.

This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be placed on the website of the Company at <https://www.mankindpharma.com/investors-relations/corporate-governance/>.

#### **8. Exemption from applicability of approvals under the Policy**

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this Policy shall not apply to the following Related Party Transactions and such transactions shall not require approval of Audit Committee, Board or Shareholders:

- (i) transactions entered into between the Company and its Wholly Owned Subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval; and
- (ii) transactions entered into between two Wholly-Owned Subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
- (iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand;
- (iv) Such other transactions as may be specified by the SEBI Listing Regulations and/or the Companies Act from time to time.

#### **9. Disclosure**

- (i) The Company shall submit to the stock exchanges disclosures of Related Party Transactions in the format as specified by the Securities and Exchange Board of India from time to time, and publish the same on its website as required from time to time in compliance with the SEBI Listing Regulations;
- (ii) The Company shall make such disclosures as required from time to time in compliance with the SEBI Listing Regulations;
- (iii) The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
- (iv) The particulars of Related Party Transactions should be entered in the register(s) maintained under the Act, wherever applicable.

#### **10. Policy review**

The Board shall assess and review the adequacy of this Policy at least once every three years from last review and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, laws applicable and the best practices. The Audit Committee may from time to time suggest suitable amendments to the Policy to the Board.

Any subsequent amendment / modification in the SEBI Listing Regulations or the Companies Act or any other governing Act / Rules / Regulations or re-enactment, or the Industry Standards impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

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Name of Policy/Code	Recommending Authority	Approving Authority	Approval / Revision Date	Policy/Code Version
Policy on materiality of related party transactions and on dealing with related party transactions	Audit Committee	Board of Directors	April 12, 2023	V1
			January 23, 2025	V2
			February 3, 2026	V3