
POLICY ON RELATED PARTY TRANSACTIONS



1. SCOPE AND PURPOSE OF THE POLICY:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”), Titan Biotech Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. The Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Company (“Audit Committee”) shall review the Policy once in three years and may amend the same from time to time.

2. ABOUT THE COMPANY:

Titan Biotech Limited is a public limited company incorporated under the Companies Act in the year 1992. The equity shares of Titan Biotech Limited are listed on the Bombay Stock Exchange Limited. Titan Biotech Limited is one of the leading manufacturers & exporters of the biological products used in the field of Pharmaceutical, Nutraceutical, Food & Beverages, Biotechnology & Fermentation, Cosmetic, Veterinary & Animal Feed, Agriculture Industries, Microbiology Culture Media & Plant Tissue Culture Media etc. With the experience of more than 25 years and the remarkable market presence in 75+ countries, Titan Biotech consistently pushing the boundaries of research and development to deliver the best quality of biological products

3. Definitions

- A. “**Act**” means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- B. “**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.
- C. “**Material Related Party Transaction**” means a Material Related Party Transaction as defined in Regulation 23(1) of the SEBI (LODR) Regulations, 2015.
- D. “**Material modification**” means any modifications to the related party transactions which were approved by the Audit Committee or Shareholders (in case of a material related party transaction) (i) where the variation exceeds 20% of the originally approved transaction; or (ii) **Rs. 10 crores** whichever is higher, in case of any monetary modification. In case of any non-monetary modification which in the opinion of the audit committee, significantly alters the nature or commercial terms of the transaction.
- Provided that change in the value of RPT on account of following shall not be considered as Material Modification:
- ◆ Change in the existing RPT due to the reasons beyond the control of the Related Parties
 - ◆ Change due to revision / imposition of statutory levies like taxes, duties etc.
- E. ‘**Related Party Transaction**’ or ‘**RPT**’ has the meaning ascribed to it under Regulation 2(1)(zc) of the SEBI Listing Regulations and shall include transactions given in the Section 188(1) of the Act.
- F. ‘**Related Party**’ has the meaning as assigned to it under the Act and Regulation 2(1) (zb) of the SEBI Listing Regulations under the applicable accounting standards, read with amendments issued from time to time.
- G. “**Applicable Law**” includes (a) the Act and rules made thereunder as amended from time to time; (b) the Listing Regulations, as amended from time to time; (c) Indian Accounting Standards; and (d) any other statute, law, standards, regulations or other governmental circulars, notifications or instructions (including circulars, notifications and guidance issued by the Securities and Exchange Board of India from time to time) relating to Related Party Transactions as may be applicable to the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

4. Approval and Reporting of Related Party Transaction

Approval of Related Party Transactions

A. Audit Committee

All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

4.A.1. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.

4.A.2. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23 of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

4.A.3. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

4.A.4. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

4.A.5. The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.

B. Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

- D.** The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- E.** In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

F. Reporting of Related Party Transactions

4.F.1. Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

4.F.2. The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

4.F.3. The Company shall comply with all reporting and disclosure requirements as may be prescribed from time to time in terms of applicable laws including the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

5. Review of the Policy

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise. The policy shall be reviewed by the Board of Directors at least once every three years including threshold limits specified therein and updated accordingly.

6. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard 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.

7. Disclosure of the Policy

This Policy will be uploaded on the website of the Company.

For Titan Biotech Limited

Naresh Kumar Singla

Managing Director

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