

Policy Note on Payment of lease rent for leasing out assets such as Vehicles, Mining Equipment, Laptops, Desktops etc.

SN	Item	Particulars														
1.	Nature of Transaction	Payment of lease rent for leasing out assets such as Vehicles, Mining Equipment, Laptops, Desktops etc.														
2.	Name of Related Party, Relationship, Proposed transaction value for FY 26-27 and % of Tata Steel annual consolidated turnover:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">MRPT Entities</th> </tr> <tr> <th>Name of RP</th> <th>Relationship</th> <th>Rs. in crs</th> <th>%age</th> </tr> </thead> <tbody> <tr> <td>Tata Capital Limited</td> <td>Subsidiary of Promoter</td> <td>INR 20 Crores</td> <td>0.02%</td> </tr> </tbody> </table>			MRPT Entities				Name of RP	Relationship	Rs. in crs	%age	Tata Capital Limited	Subsidiary of Promoter	INR 20 Crores	0.02%
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Tata Capital Limited	Subsidiary of Promoter	INR 20 Crores	0.02%													
3.	Duration of transaction	The transaction is on need basis.														
4.	Description of transaction	<ol style="list-style-type: none"> <li>1. TSL is in need of required technology and IT assets and other assets for its business operations.</li> <li>2. Tata Capital has the requisite technology and other assets required by TSL.</li> <li>3. TSL has requested Tata Capital to provide such technology and other assets on lease.</li> <li>4. TSL and Tata Capital have entered into an agreement for leasing of Technology, IT Assets and other assets.</li> <li>5. The agreement details the technology and assets to be leased out, specifications and lease rental to be charged.</li> </ol>														
5.	User Department	ITS														
6.	Justification of entering into transaction	Related party has in-house expertise for the services required by TSL, which is most commercially and synergistically appropriate for TSL and the transaction is being undertaken at arm's length.														
7.	Whether the transaction is in the ordinary course of business?	Based on the justification as presented above and as per representation by the management, the transaction is in the ordinary course of business.														
8.	Whether the transaction is at arm's length?	Yes														
9.	Is there adequate documentation available to substantiate arm's length?	A reasonable level of documentation is available. A comprehensive list of documents required to be maintained is provided in point 12 below.														
10.	Flow diagram of transaction mechanism:	<pre> graph LR     A[IT Assets Lease arrangement between TSL and Tata Capital] --&gt; B[The lease rental is charged as per the comparable prices]     B --&gt; C[Invoice is then raised by Tata Capital as per the agreement.] </pre>														
11.	Arm's length policy	<ol style="list-style-type: none"> <li>1. An analysis is required to be undertaken to identify any possible internal CUPs.</li> <li>2. In case of CUPs, following factors need to be considered: <ul style="list-style-type: none"> <li>• Similar services procured from third party vendors</li> </ul> </li> </ol>														

SN	Item	Particulars
		<p>by TSL</p> <ul style="list-style-type: none"> <li>• Similar services rendered to third party by Tata Capital</li> </ul> <p>3. In the given case, Tata Capital may also render similar services to third party.</p> <p>4. Accordingly, certificate may be obtained from Tata Capital that the rate charged by Tata Capital from third party is in line with the rate charged from TSL.</p> <p>5. Tata Capital raise invoice on TSL with details of the assets used on a monthly basis.</p> <p>6. Since, the price paid by TSL is in line with the rate at which Tata Capital sells to third parties, the transaction may be considered to be at arm's length.</p>
12.	Documentation	<p>1. Copy of lease agreement between TSL and Tata Capital.</p> <p>2. The invoice raised by Tata Capital on a monthly basis detailing the assets leased.</p> <p>3. Certificate issued by Tata Capital on TSL mentioning that the rate charged by from TSL is in line with the rate charged from third parties.</p>
13.	Statutes covered	<p>1. The Companies Act, 2013</p> <p>2. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015</p>