

Policy Note on Sale of NestIn products by TSL

SN	Item	Particulars	
1.	Nature of transaction	Sale of NestIn products by TSL	
2.	Name of Related Party, Relationship, Proposed transaction value for FY 26-27 and % of Tata Steel annual consolidated turnover:		
	MRPT Entities		
	Name of RP	Relationship	%age
	Tata Capital Limited	Subsidiary of Promoter	0.02%
	NWOS Entities		
	Name of RP	Relationship	%age
	Jamipol Limited	Joint Venture of TSL	0.00%
	Jamshedpur Continuous Annealing & Processing Company Private Limited	Joint Venture of TSL	0.00%
	The Tata Power Company Limited	Associate of Promoter	0.00%
	Tata Motors Limited	Associate of Promoter	0.00%
	Tata Projects Limited	Subsidiary of Promoter	0.00%
	Tata Realty and Infrastructure Limited	Subsidiary of Promoter	0.00%
	Tata Sons Private Limited	Promoter	0.00%
	Mjunction Services Ltd.	Joint venture of TSL	0.00%
	Tata Advanced Systems Limited	Subsidiary of Promoter	0.00%
	Tata Consulting Engineers Limited	Subsidiary of Promoter	0.00%
	Ecofirst Services Limited	Subsidiary of Promoter	0.00%
	Innovative Retail Concepts Private Limited	Subsidiary of Promoter	0.00%
	Titan Company Limited	Associate of Promoter	0.00%
	Tata Chemicals Limited	Associate of Promoter	0.00%
	The Indian Hotels Company Limited	Associate of Promoter	0.00%
	Supermarket Grocery Supplies Private Limited	Subsidiary of Promoter	0.00%
	Air India Limited	Subsidiary of Promoter	0.00%
	Tata Electronics Private Limited	Subsidiary of Promoter	0.00%
	Toyota Kirloskar Motor Pvt. Ltd.	Entity in which TSL's KMP/Relative has control	0.00%
	Total	INR 93.50 Crores	0.02%

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4.	Duration of transaction	The transaction is on need basis.
5.	Description of transaction	<ol style="list-style-type: none"> 1. TSL is engaged in the business of manufacturing and sale of steel and related products. 2. In recent years, TSL has entered into a segment of smart home product under the brand name "NestIn". 3. TSL does not sell this product directly into the market, it has appointed solution partners (SP) who are authorized to take orders on behalf of TSL and sell in the market. 4. Further, this being a customized product based on needs of the customers, there is no fixed rate card available. 5. The price at which the products will be sold to the related party will be determined based on agreed pricing mechanism.
6.	User Department	BAG - Service & Solution
7.	Justification of entering the transaction	Product needed by related party is available in-house with TSL of required quality and specification and the transaction is being undertaken at arm's length.
8.	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.
9.	Whether the transaction is at arm's length?	Yes
10.	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 13 below.
11.	Flow diagram of transaction mechanism:	<pre> graph LR A[Requirement of NestIn products by RPs] --> B[TSL has requisite products available] B --> C[Products sold by TSL to RPs as per the agreed price] C --> D[Invoice raised by TSL on RPs] </pre>
12.	Arm's length policy	<ol style="list-style-type: none"> 1. An analysis is required to be undertaken to identify any possible internal CUPs. 2. In case of CUPs, following factors need to be considered: <ul style="list-style-type: none"> • Similar products procured from third party vendors by RPs • Similar products sold to third party by TSL 3. In the absence of comparable arrangements with third parties, cost plus mark-up method is most appropriate to arrive at the price for sale of products to RPs

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		<p>4. The price to be charged by TSL from RPs is to be determined as under:</p> <ul style="list-style-type: none"> • Cost incurred by TSL for purchase of NestIn products from component manufacturer • Plus: Arm's length mark-up in the range charged by TSL to third party for similar product on such cost. <p>5. The margin range has been benchmarked with margin charged by solution partners to sell similar product in the open market.</p>
13.	Documentation	<p>1. Purchase orders raised by RPs on TSL.</p> <p>2. Invoice raised by TSL on RPs.</p> <p>3. Computation of sale price for products sold by TSL to RPs.</p> <p>4. Benchmarking study for margins earned by Solution partners for similar transactions.</p>
14.	Statutes covered	<p>1. The Companies Act, 2013</p> <p>2. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015</p>