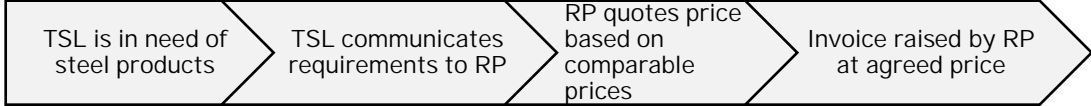


Policy Note on Purchase of steel products (like billets, TMT, wire rods etc.) and other related material by TSL

SN	Item	Particulars																												
1.	Nature of Transaction	Purchase of steel products (like billets, TMT, wire rods etc.) and other related material by TSL																												
2.	Name of Related Party, Relationship, Proposed transaction value for FY 26-27 and % of Tata Steel annual consolidated turnover:	<table border="1"> <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 International West Asia DMCC</td> <td>Subsidiary of Promoter</td> <td>INR 200 Crores</td> <td>0.09%</td> </tr> <tr> <th colspan="4">NWOS Entities</th> </tr> <tr> <th>Name of RP</th> <th>Relationship</th> <th>Rs. In Crs</th> <th>%age</th> </tr> <tr> <td>Tata International Ltd.</td> <td>Subsidiary of Promoter</td> <td>INR 200 Crores</td> <td>0.09%</td> </tr> <tr> <td colspan="2">Total</td> <td>INR 400 Crores</td> <td>0.18%</td> </tr> </tbody> </table>	MRPT Entities				Name of RP	Relationship	Rs. In Crs	%age	Tata International West Asia DMCC	Subsidiary of Promoter	INR 200 Crores	0.09%	NWOS Entities				Name of RP	Relationship	Rs. In Crs	%age	Tata International Ltd.	Subsidiary of Promoter	INR 200 Crores	0.09%	Total		INR 400 Crores	0.18%
MRPT Entities																														
Name of RP	Relationship	Rs. In Crs	%age																											
Tata International West Asia DMCC	Subsidiary of Promoter	INR 200 Crores	0.09%																											
NWOS Entities																														
Name of RP	Relationship	Rs. In Crs	%age																											
Tata International Ltd.	Subsidiary of Promoter	INR 200 Crores	0.09%																											
Total		INR 400 Crores	0.18%																											
3.	Duration of Transaction	The transaction is on a need basis																												
4.	Description of Transaction	<ol style="list-style-type: none"> 1. TSL is engaged in the business of manufacturing and sale steel and related products. 2. TSL intends to increase its market share in long products segment which can be fulfilled by its own production and sourcing from market both domestic and international. 3. For this purpose, TSL requires steel products like billets, TMT, wire rods etc. which are available with RP. 4. TSL plans to leverage trading and distribution expertise of RP in domestic market to source material. 5. Accordingly, purchase order is raised by TSL on RP at agreed prices. 																												
5.	User Department	BAG Marketing & Sales - Long Products																												
6.	Justification of entering the transaction	Product needed by TSL is available in-house with related party of required quality and specification 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:																													

SN	Item	Particulars
		
11.	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 TSL • Similar products sold to third party by RP 3. For applying CUPs, necessarily need to ensure: <ul style="list-style-type: none"> • The products are similar • The volume of transaction is similar • The functions, risks and associated assets involved are similar 4. In the absence of internal CUP, the market price published report may be considered to benchmark the price charged by related party. 5. The price of products purchased from RP would be computed as below: <ul style="list-style-type: none"> • Price published in the market report. • Add/Less: Adjustment on account of difference in grade, quality, discount from third party or any other parameter. 6. In the absence of comparable prices, TSL floats RFQ to all the approved vendors along with RPs. After technical economic and commercial evaluation contract is awarded to L1 vendor. 7. In the absence of competitive bidding, contract may be awarded to RP on single-party basis. 8. In such case, cost plus mark-up would be the most appropriate method, hence the remuneration should be determined as below: <ul style="list-style-type: none"> • The cost incurred by RP for rendering such services • Add: An arm's length mark-up in the range obtained through a benchmarking analysis of similar products. 9. Purchase order to be released on RPs based on the agreed pricing mechanism.
12.	Documentation	<ol style="list-style-type: none"> 1. Communication of requirement by TSL to RP. 2. Sales contract between TSL and RP, if any. 3. In case of L1: <ul style="list-style-type: none"> • Copy of RFQ floated by TSL.

SN	Item	Particulars
		<ul style="list-style-type: none"> • Copy of Quotation received by TSL from vendors • Communication mail/correspondence detail for price negotiation, if any • Comparative analysis of quotations received from vendors and finalization of order on L1 basis <p>4. In case of CUP:</p> <ul style="list-style-type: none"> a) Copy of invoice raised by RPs on third parties for similar goods b) Copy of invoices raised by third parties on TSL for similar goods <p>5. In case of Cost plus markup model:</p> <ul style="list-style-type: none"> a) Computation of price along with supporting for adjustment, if any. b) Benchmarking study for margin earned by comparable companies from similar transaction
13.	Statutes covered	<ol style="list-style-type: none"> 1. The Companies Act, 2013 2. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.