

Policy Note on Sale of Coils, Sheets, Coated Products, Plates, Rebar, Readybuild, Slab, tubes, pipes, Wire and Wire products, bearings and other related products by TSL

SN	Item	Particulars	
1.	Nature of transaction	Sale of Coils, Sheets, Coated Products, Plates, Rebar, Readybuild, Slab, Tubes, Pipes, Wire and Wire products, Bearings and other related 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
		Rs. in crs	%age
		Tata International West Asia DMCC	Subsidiary of Promoter
		INR 5,500 Crores	2.52%
		NWOS Entities	
		Name of RP	Relationship
		Rs. in crs	%age
		The Tata Power Company Ltd	Associate of Promoter
		INR 50 Crores	0.02%
		Tata International Limited	Subsidiary of Promoter
		INR 500 Crores	0.23%
		Tata Motors Ltd	Associate of Promoter
		INR 300 Crores	0.14%
		Tata Projects Ltd	Subsidiary of Promoter
		INR 300 Crores	0.14%
		Tata International Singapore Pte. Ltd.	Subsidiary of Promoter
		INR 1,400 Crores	0.64%
		Tata Electronics Private Limited	Subsidiary of Promoter
		INR 10 Crores	0.00%
		Tata Semiconductor Assembly and Test Private Limited	Subsidiary of Promoter
		INR 20 Crores	0.01%
		Tata Semiconductor Manufacturing Private Limited	Subsidiary of Promoter
		INR 20 Crores	0.01%
		TRF Ltd.	Associate of TSL
		INR 10 Crores	0.00%
		Jamipol Ltd	Joint Venture of TSL
		INR 10 Crores	0.00%
		Tata International Metals (Asia) Ltd	Subsidiary of Promoter
		INR 50 Crores	0.02%
		Tata Autocomp Systems Ltd	Subsidiary of Promoter
		INR 35 Crores	0.02%
		Tata Realty and Infrastructure Ltd	Subsidiary of Promoter
		INR 75 Crores	0.03%
		Tata Advanced Systems Ltd	Subsidiary of Promoter
		INR 10 Crores	0.00%
		Voltas Ltd	Associate of Promoter
		INR 10 Crores	0.00%
		Automotive Stampings & Assemblies Ltd.	Subsidiary of Promoter
		INR 60 Crores	0.03%
		Toyota Kirloskar Motor Pvt. Ltd.	TSL Director's relative is Director
		INR 50 Crores	0.02%
		Tata Motors Passengers Vehicle Ltd.	Associate of Promoter
		INR 150 Crores	0.07%
		Total	INR 8,560 Crores
			3.51%
3.	Duration of transaction	No formal contract, transaction is on need basis.	

SN	Item	Particulars
4.	Description of transaction	<ol style="list-style-type: none"> 1. TSL is engaged in the business of manufacturing and sale of steel & related products. 2. TSL sells steel sheets, coils etc. of various sizes to its Group Companies and to third party distributors. 3. Sales to related parties and third-party distributors constitute spot sale by TSL which is based on the guideline price circulated by the marketing team every month. 4. Related party communicates its requirements to TSL. 5. TSL quotes price to its related party and third party on the basis of the monthly guideline price (circulated by the Marketing Team) 6. On the basis of agreed price, the related party generates a purchase order.
5.	User Department	<ul style="list-style-type: none"> • Tubes • Wires • Exports • BAG-M&S(LP) • BAG-M&S(FP) • Bearings
6.	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.
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: <div style="text-align: center; margin-top: 10px;"> <pre> graph LR A[Requirement of goods to related parties] --> B[Related parties communicates the requirement to TSL] B --> C[TSL quotes price on the basis of internal price guideline.] C --> D[Prices are fixed and PO is raised by related parties on TSL] </pre> </div>	
11.	Arm's length policy	<ol style="list-style-type: none"> 1. The first analysis undertaken needs to identify any possible internal CUPs. 2. In absence of the same, need to look for external CUP. 3. Sales are made to the related party and third party distributor on the basis of guideline prices circulated by the marketing team every month. 4. Guideline prices are determined keeping in mind various factors which includes: <ol style="list-style-type: none"> a. Past order history of the customers

SN	Item	Particulars
		<p>b. Prices charged by the competitors</p> <p>c. Prevailing market prices in the industry</p> <p>d. Demand and Supply of the product in the market</p> <p>e. Domestic sales and also the possibility of export</p> <p>f. Raw material prices, etc.</p> <p>5. Guideline price is further adjusted after considering the following factors:</p> <p>a. Tax levied on the buyer</p> <p>b. Transportation cost for transferring the goods in the location of sales.</p> <p>6. TSL makes this adjustment to ensure that cost of product is same for all its distributors.</p> <p>7. Order volume is communicated by the related party.</p> <p>8. TSL quotes price based on guideline price for the month.</p> <p>9. In case there is any major economic or commercial change which affects the market price of the product after declaration of guideline prices, relevant adjustments are made.</p> <p>10. PO is raised by the related party based on the ordered volume and negotiated price.</p> <p>11. On dispatch of the order, invoice is raised on the related party.</p> <p>12. Invoice raised on the third party would be comparable to invoice raised on the related party if the following parameters are met:</p> <p>a. Sale made to third party and related party is in the same time period.</p> <p>b. Quantity sold to third party is similar to quantity sold to related party.</p> <p>c. Specification of the product sold to third party is same as the product sold to related party.</p> <p>13. In the absence of internal comparable, the price charged to related party will be compared with external published rate available in market, subject to necessary adjustments.</p> <p>14. In case of international transactions, the price of products would be computed as below:</p> <ul style="list-style-type: none"> • International Price published in market report for relevant geography. • Add/Less: Adjustment of Freight and other handling charges based on term of delivery incurred with RP. • Add/Less: Adjustment on account of difference in grade, quality, discount from third party or any other parameter. • Further, any expenses incurred by TSL like demurrage, warehousing charges, port charges, duty, transportation cost, etc., if any will be reimbursed at actual by RP. <p>15. In case, comparable prices are not available, following steps will be followed:</p>

SN	Item	Particulars
		<ol style="list-style-type: none"> a. Maintenance of audited cost sheet for determining the guideline/sales price. b. Benchmarking of the transaction to ascertain that the margin earned by TSL on sales to the related parties is at arm's length. <p>16. Further, sales related expenses like customer onboarding expenses, approval of mills etc. to be incurred by RP will be reimbursed at actuals.</p>
12.	Documentation	<ol style="list-style-type: none"> 1. Copy of invoices raised on related party by TSL. 2. Copy of pricing guideline of marketing team. 3. In case internal comparable is available: <ol style="list-style-type: none"> a. Internal comparable from TSL or the related party buyers in terms of the sales price. b. Adjustment/discount, if any. c. Last sale price, if any and comparison of the current price to the same. 4. In absence of internal comparable: <ol style="list-style-type: none"> a. Detail of external published rate available, b. Adjustment/discount, if any. c. In case of international transaction: <ul style="list-style-type: none"> • Copy of published market report / screenshot of market report • Documents to support adjustments on account of freight other handling charges, difference in quality and any other parameter • Supporting for grades adjustment (if any) • For Discount, backup calculation and appropriate supporting for third party • Supporting documents for expenses incurred by TSL like demurrage, warehousing charges, port charges, duty, transportation cost, etc., if any. 5. Further, in case comparable prices are not available: <ol style="list-style-type: none"> a. Audited cost sheet for determining the guideline price. b. Benchmarking study to justify the margin earned by TSL for sale made to the related party. 6. Back-up invoices raised by third parties for expenses to be recovered at actuals.
13.	Statutes covered	<ol style="list-style-type: none"> 1. The Companies Act, 2013 2. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 3. The Income-tax Act, 1961/2025 (as applicable)