

Policy Note on the transaction with Tata Steel Utilities and Infrastructure Services Limited (TSUISL)

Nature of Contracts	Nature of Transactions	Valuation of transaction (INR Crores)	% of Consolidated Turnover
Purchase of services	Receipt of services like various civil jobs, repair & maintenance, housekeeping, electrical maintenance, waste management, horticulture, sustainability, welfare services, sheeting, structural, hiring of equipment, utility services, etc. related to such locations, appropriate from Tata Steel Utilities & Infrastructures Services Ltd. ('TSUISL')	30.00	35.28%

SN	Item	Particulars
1.	Nature of transaction	Receipt of services like various civil jobs, repair & maintenance, housekeeping, electrical maintenance, waste management, horticulture, sustainability, welfare services, sheeting, structural, hiring of equipment, utility services, etc. related to such locations, appropriate from Tata Steel Utilities & Infrastructures Services Ltd. ('TSUISL')
2.	Name of Related party	TSUISL
3.	Nature of relationship	Subsidiary of Promoter Company
4.	Duration of transaction	FY 26-27 transaction is on need basis
5.	Description of transaction	- TSUISL has expertise in providing the following services: - Water services; public health and engineering services, such as electrical maintenance, waste management; and civil maintenance services inside various plants/works of TRF. - Housekeeping / Guest house management and maintenance service across various locations to TRF - Construction activities - Repairs and maintenance service - Other services such as horticulture, sustainability, welfare services, sheeting, structural, hiring of equipment, utility services etc. - Other one-time civil jobs - TRF may float RFQ on TSUISL and the third party and place an order on an L1 basis. - At times TRF may also place orders on a single-party basis under a cost-plus markup model. - Quotation obtained from TSUISL, and the third party would be negotiated and order would be placed on the final negotiated price.
6.	Justification of entering the transaction	TRF is in need of various jobs related to township management and maintenance and civil/other jobs. It requires a one-stop solution for various services in order to ensure a reduction in vendor management, better output and proper service delivery. TSUISL has the required expertise to deliver various services required by TRF
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 11 below
10.	Arm's length policy	- User department to provide detail of services required with other technical specification. - RFQ floated with details on approved vendor list - Negotiations with vendors for technical as well as commercial terms - SR generated on the number of vendors chosen that should be in the order of L1, L2, L3 (the basic assumption being that technical specifications are met).

SN	Item	Particulars
		5. Contract is then awarded on an L1 vendor. 6. The entire process is to be documented, including quotes by all vendors, negotiations (through mails preferably) and the final offers given. 7. In case order is placed on single party or proprietary basis, an analysis is required to be undertaken to identify any possible internal CUPs. 8. In case of CUPs, following factors needs to be considered: • Similar services procured from third party vendors by TRF • Similar services sold to third party by TSUISL. 2. In absence of all of the above, TSUISL's cost-profitability statement need to be obtained, and profits earned from the captioned transaction need to be benchmarked with the margin (7% to 12%) earned by comparable companies.
11.	Documentation	1. Copy of final SR approved. 2. Copy of service order released on TSUISL. 3. Copy of invoices raised by TSUISL on TRF for above services. 4. In case order placed through Competitive bidding, TRF need to maintain the following: • All quotations received • Negotiations email correspondence, if any • Last purchase price, if any and comparison of the current price to the same 5. In case Internal comparable is available: • Copy of Invoice raised by TSUISL on third party along with the copy of WO/PO; or • Copy of invoices raised by third party on TRF for similar services. 6. In case of proprietary basis and absence of internal CUP, TRF need to maintain the following: • Cost-profitability statement of TSUISL for margin earned from the services rendered to TRF. • Benchmarking study for margin earned by comparable companies.
12.	Statutes covered	1. Companies Act, 2013 2. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015