

TIJARIA POLYPIPES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation 23”) and as amended from time to time, Tata Steel Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

2. OBJECTIVE:

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS:

- a. “Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest under section 188 of the Act.
- b. “Associate”** mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that this definition shall not be applicable for the units issued by mutual fund which are listed on a recognised stock exchange(s) for which the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 shall be applicable;

- c. **“Audit Committee or Committee”** means the Committee of the Board formed under section 177 of the Act and Regulation 18 of SEBI(LODR).
- d. **"Board of Directors" or "Board"**, in relation to a company, means the collective body of the directors of the company;
- e. **“Control”** means control as defined in Section 2 (27) of the Act and shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- f. **“Key managerial personnel”** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013; viz:
- the Chief Executive Officer or the managing director or the manager;
 - the company secretary;
 - the whole-time director;
 - the Chief Financial Office
- g. **“Policy”** means Related Party Transaction Policy.
- h. **“Related party”** have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.
- i. **“Related Party Transaction or RPT”** means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged and includes:
- Sale, purchase or supply of any goods or materials;
 - Selling or otherwise disposing of, or buying property of any kind;
 - Leasing of property of any kind;
 - Availing or rendering of any services;
 - Appointment of any agent for the purchase or sale of goods, materials, services or property;
 - Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
 - Underwriting the subscription of any securities or derivatives thereof, of the Company;
 - Financing (including loans and equity contributions in cash or kind);
 - Providing or obtaining guarantees and/ or collaterals;
 - Management contracts including deputation of employees;
 - Transfer of research and development;
 - Transfer under licence agreements

(The above is an indicative list and not an exhaustive one)

Transactions with a related party shall be construed to include a single transaction or a series of transactions in a contract entered/ to be entered into by the Company with the Related Party during a financial year.

- j. **“Material Related Party Transaction/ Material RPT”** means such transactions as prescribed in the Act or the Listing Regulations, as may be applicable.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

All RPTs or changes therein along with relevant documentary supporting (including justification therefor) must be reported by Head of Departments to the Company Secretary and be referred to CMD and on his confirmation placed before the Audit Committee for prior approval in accordance with this Policy. The Company Secretary shall place summary of such RPTs, material facts relating to each RPT and recommendations for each such RPT for approval of the Audit Committee.

The Audit Committee shall undertake an evaluation of each RPT. If such evaluation indicates that the RPT would require approval of the Board, or if the Board elects to review any such RPT, then the Audit Committee shall report such RPTs, together with a summary of material facts, to the Board for its approval.

If the Board is of the view that the RPT needs to be approved at a general meeting of the shareholders by way of a special resolution pursuant to the provisions of the Act or *[the Regulations], then the same shall be placed for approval of the shareholders of the Company.

If in case prior approval of the Audit Committee or the Board or the shareholders in general meeting, as applicable, for entering into a RPT is not feasible/not obtained, then the RPT shall be ratified by the Audit Committee / the Board / shareholders in the general meeting or by any other means as may be permissible under the Act, if required, within three (3) months of entering into such a RPT..

In the event the Audit Committee or the Board or the General Meeting determines not to ratify a RPT as stated in (d) above which has been already acted upon by the Company, then the Committee or the Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of such RPT or approve modifications to such RPT to make it acceptable for ratification. The Audit Committee or the Board shall have an authority to modify or waive any procedural requirements of this Policy so long as such modification or waiver is not inconsistent with the provisions of the Act and *[the Regulations].

In determining whether or not to approve or ratify a RPT, the Audit Committee or the Board or the General Meeting shall take into account, among other factors it deems appropriate, whether the RPT is on “arm’s length basis, in the ordinary course of Company’s business and if such aspects are absent whether such RPT is within the thresholds prescribed in Annexure-1 hereto.

No director or Key Managerial Personnel shall participate in any discussion or approval of a RPT for which he or she is a Related Party, except that the director / Key Managerial Personnel shall provide all material information concerning such Related Party Transaction to the Audit Committee or the Board as appropriate.

If the RPTs are repetitive in nature, the Audit Committee may grant omnibus approval in line with this policy

5. PROCEDURE FOR OMNIBUS APPROVAL FOR RPT'S

- i. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- ii. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval: ∅ Repetitiveness of the transactions (in future and past) ∅ Justification for the need of omnibus approval
- iii. *[Maximum value of transaction, which can be allowed under omnibus route in a year shall not be more than Rs.100 crores in aggregate and Rs.10 cores per transaction. The Audit Committee may allow omnibus approval to any RPT exceeding the aforesaid limit on need basis after approval of the Board.]
- iv. At the time of seeking omnibus approval, the following disclosures shall be made to the Audit Committee:
 - the name(s) of the related party,
 - nature of transaction and duration of transaction, ∅ maximum amount of transaction that can be entered into,
 - the indicative base price / current contracted price and the formula for variation in the price, if any; and
 - any other information relevant or important for the Audit Committee to take a decision on proposed transaction.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, then the Audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction or such higher threshold as may be prescribed in future.

(v) The Audit Committee, shall review at least on a quarterly basis, the details of RTPs entered into by the Company pursuant to each of the omnibus approval given.

(vi) Omnibus approval shall not be made for the transactions in respect of selling or disposing of the undertaking of the Company.

(vii) The omnibus approval shall be valid for a period not exceeding one (1) financial year and shall require fresh approval after the expiry of one (1) financial year.

(vii) The current threshold limits for approval of RPTs by Audit Committee or the Board or shareholders in General Meeting, as applicable, have been set-out in Annexure I hereto. Such limits shall stand automatically modified/ amended as and when such limits are amended under the Act and/or the *[Regulations] and shall accordingly be deemed to be incorporated in this Policy by reference.

(viii) Nothing in this Policy shall override any provisions of law made in respect of any matter stated in this Policy.

(ix) In case any difficulty or doubt arises in the interpretation of this Policy, the decision of the Chairman of the Audit Committee shall be final.

6. DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction. The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website. In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 5 of the Policy above) on a quarterly basis to the stock exchanges.

7. REVIEW

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

****Policy revised in the Board Meeting held on 15th May, 2019 which is effective from 01st April, 2019.***

Annexure -A

A	All RPTs shall require approval of the Audit Committee.		
B. Approval by Board at its meeting	The following RPTs which are not in the ordinary course of business and not on an arm's length basis shall require approval of the Board at the Meeting: a. Sale, purchase or supply of goods, materials directly or through appointment of agents b. Selling or otherwise disposing of, or buying, property of any kind or through appointment of agents. c. Leasing of property of any kind d. Availing any services directly or through appointment of agents e. Appointment of any office or place of profit in Company/its subsidiary or associate company f. Underwriting the subscription of any securities or derivatives thereof		
C. Approval at General Meeting by - Resolution	1. If RPT, individually or taken together with previous RPTs during a financial year, exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company		
	2. RPTs fall under the categories which are not in ordinary course of business and on an arm's length basis and exceed the prescribed limits:	Transaction	Threshold
		a. Sale, purchase or supply of goods, materials directly or through appointment of agents	Exceeding 10% of annual turnover or Rs. 100 cr (whichever is lower)#
		b. Selling or otherwise disposing of, or buying, property of any kind or through appointment of agents	Exceeding 10% Net Worth or Rs. 100 cr (whichever is lower)#
		c. Leasing of property of any kind	Exceeding 10% of Net Worth or 10% of turnover or Rs.100 cr (whichever is lower)#
		d. Availing any services directly or through appointment of agents	Exceeding 10% of turnover or Rs.50 cr (whichever is lower)#
		e. Appointment of any office or place of profit in Company/its subsidiary or associate company	At monthly remuneration exceeding Rs.2.5 lacs
		f. Underwriting the subscription of any securities or derivatives thereof	Remuneration exceeding 1% of the Net Worth
# Annual Turnover and Net Worth referred above is computed as per audited Financial Statement for the preceding financial year.			