POLICY ON RELATED PARTY TRANSACTIONS

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TCI EXPRESS LTD. [Version 5.0]

Preamble

With the intent of good corporate governance, the Company emphasize maintaining an arm's length relationship in all transactions, including transactions with its Related Parties that may have potential or actual conflicts of interest with its stakeholders. Accordingly, the Board of Directors of TCI Express Limited ('the Company'), based on the recommendation of the Audit Committee, has adopted the following policy in conjunction with regulatory provisions contained under Section 188 of the Companies Act, 2013 read with Rules made therewith, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Indian Accounting Standards (Ind AS) Industry Standard (IS), as amended from time to time.

Scope of the Policy

This Policy is intended to ensure procedural fairness, proper approval and reporting of transactions between the Company and any of its Related Parties. It shall become effective from the date of its adoption by the Board, pursuant to the recommendation of the Audit Committee. This Policy sets out the guidelines and procedures that apply in respect of transactions entered into by the Company with a Related Party (including materiality of Related Party Transactions and dealing with Related Party Transactions). It contains framework and procedures governing the review, determination of materiality, approval or ratification and reporting of such Related Party Transactions.

Definitions

Please refer to **Annexure I**. Any term not defined in the said annexure shall have the same meaning as given in the Act and rules made thereunder and/ or SEBI LODR.

Key Principles

Material Thresholds for Related Party Transactions

In accordance with Regulation 23 of SEBI LODR, the Company has formulated this Policy on the materiality of Related Party Transactions and on dealing with Related Party Transactions including clear threshold limits duly approved by the Committee/Board.

The material Related Party Transactions are defined under **Table A & B** to **Annexure II.**

Arms' Length Pricing

The arm's length principle requires the transaction with a related party to be made at similar terms & price under comparable conditions and circumstances as a transaction with an unrelated party.

The Company/its subsidiary(ies) would consider the guidelines given under **Annexure III** to determine the arms' length pricing.

Further, all the Designated Employees shall, at all times, make endeavor to ensure that all the transactions entered or proposed to be entered into by and between the Company/its subsidiary(ies) and any of its related parties are always at arms' length unless specifically approved by the Board of Directors.

Process of ascertaining Related Party Transactions of Company and its Subsidiaries

I. Every Director/KMP shall at the first meeting of the Board in which he/she participates as a Director/KMP and

thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his/her concern or interest, directly/indirectly or through their relative in any company or companies or bodies corporate, firms, or other association of individuals, which shall include the shareholding in **Form MBP-1**.

Further, it shall be the duty of members of the Board/KMP to disclose to the Committee/Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company/its subsidiary(ies). The Directors are also required to provide information regarding their engagement with other entities during the financial year, which may be regarded as a related party according to this policy.

The CFO or person responsible for Accounts & Finance function of the Company/its subsidiary(ies) shall be responsible for identifying Related Party (ies) under applicable Accounting Standards and reporting of such Related Party(ies) to the Company Secretary.

II. The Company Secretary and CFO shall collate the Related Parties of the Company/its subsidiary(ies) and update the said information along with the approval thresholds for entering into transactions with such Related Parties listed in the online module available with the Company, as being updated by the Information Technology Team from time to time.

III. The Company Secretary, CFO and the Chief Internal Auditor will independently review the tagging in the system from time to time.

Review and approval of Related Party Transactions

By the Audit Committee

I. **Where Company is a Party:** Except otherwise provided hereunder, all Related Party Transactions and/or subsequent modification(s) (including material modifications) therein (irrespective of being in the ordinary course of business or at arm's length basis) must be referred for prior approval by the Committee in accordance with this Policy, unless the approval is exempted pursuant to the provisions of applicable law.

II. **Where Subsidiary of the Company is a Party:** In case of a Related Party Transaction above one crore, to which Company is not a party but subsidiary of the Company is a party, prior approval of the Committee shall be required if the value of transaction (whether entered into individually or taken together with previous transactions) during a financial year exceeds the lower of the following:

- 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- the threshold for material related party transactions of the Company as specified in Schedule XII of these regulations and reproduced under Table-B of **Annexure-II**.

The Committee shall consider the transaction with Related Party according to the guidelines given as per **Annexure-ll & III.**

Any member of the Committee who has a potential interest in any Related Party Transaction will recuse him/herself and abstain from discussion and voting on the approval of the Related Party Transaction. Only those members of the Committee, who are Independent Directors, shall approve Related Party Transactions.

III. The Committee shall consider the following factors while deliberating the Related Party Transactions for its approval:

a) Name of Related Party and its relationship with the Company/its subsidiary(ies) including nature of its concern or interest, whether financial or otherwise.
b) Nature, material terms and particulars of the proposed transaction.
c) Tenure/value of the proposed transaction mentioning manner for determining price & commercial terms.
d) Advance paid/received, if any.
e) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company/its subsidiary(ies), additional disclosure shall be made in accordance with the provisions contained under SEBI LODR:
f) Whether the terms of the Related Party Transaction are fair and on an arm's length basis to the Company/its subsidiary(ies) and would apply on the same basis if the transaction did not involve a Related Party.
g) Business rationale for entering into such transactions and potential benefits therefrom.
h) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any.
i) Internal Auditor's report and supporting documents as **T*able-C;***
j) A copy of the valuation or other external party report, if any such report has been relied upon.
k) Fair and on arm's length basis
l) Whether the Related Party Transaction would affect the independence of an independent Director;
m) Any potential reputational risk issues that may arise as a result of, or in connection, with the proposed transaction.
n) Whether the Related Party Transaction would present an improper conflict of interest for any Director/KMP of the Company/its subsidiary(ies), taking into account the size of the transaction, the benefits arising therefrom to the Company/its subsidiary(ies) or Related Party, the direct or indirect nature of the Director's/ KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deem relevant to the transaction;
o) The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided.
p) In addition to the information provided above in accordance with the provisions of the Companies Act, 2013 and the SEBI LODR, the Company shall also place before the Audit Committee/Board and Shareholders (as the case may be) such additional information as prescribed under the RPT Industry Standards and circulars issued by SEBI from time to time, to the extent applicable, while placing any proposal for review and approval of an RPT.
q) Any other information relevant or important for the Committee to take a decision on the proposed resolution.

IV. Disclosure of information on RPT shall be made in accordance with the thresholds, manner and timelines prescribed under the Companies Act, 2013, the SEBI LODR, and the Company's Policy on RPT, and shall also be aligned with the applicable Industry Standards and circulars issued time to time, in this regard.

V. Before approving any transaction of the Company with any of its related parties, the Committee shall ensure that Chief Internal Auditor has certified that the existing/proposed transaction(s) are on arms' length basis and in ordinary course of business and that all the necessary information/documents were available as per the prevailing Company policy.

VI. In case of any Related Party Transactions which are not at arms' length, the Committee shall recommend such transactions, if any, to the Board for appropriate action.

VII. The Committee will undertake an evaluation of the Related Party Transaction. If that evaluation indicates that the Related Party Transaction would require approval of the Board, or if the Board in any case chooses to review any

such matter, the Committee will report the Related Party Transaction, together with a summary of material facts, to the Board for its approval.

VIII. The Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary(ies), which are repetitive in nature subject to compliance with the conditions contained in SEBI LODR and the Act and upon submission of documents and information as mentioned in **Annexure II**. The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company or its subsidiary(ies). Such approval(s) once granted shall be valid for a period of one financial year and transactions done under such approval such approval shall be placed before the Committee at quarterly intervals.

IX. In case the need for Related Party Transaction cannot be foreseen and details as per **Annexure II** are not available, the Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Cr per transaction at the end of immediately preceding financial year, whichever is lower. Such approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such a financial year.

X. The Committee shall review the status of long-term or recurring Related Party Transaction on an annual basis.

By the Board of Directors

Following Related Party Transactions shall require the approval of the Board:

I. All Related Party Transactions falling under Section 188 of the Act, which are not in the ordinary course of business and/or at arm's length basis.

II. All Material Related Party Transactions.

III. All such transactions for which the Audit Committee determines that a Related Party Transaction should be brought before the Board, whether in view of internal pre-determined threshold or otherwise; and

IV. All such transactions which the Board chooses to review, or it is mandatory under any law for Board to approve the Related Party Transaction;

Any member of the Board who has any potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

By the Shareholders

All Related Party Transactions shall require prior approval of shareholders as under:

I. All Material Related Party Transactions and subsequent material modification(s) therein as provide time to time under the Act and SEBI LODR and reproduced under Table A & B to **Annexure II;**

II. Such Related Party Transactions which are either not on arm's length or not in the ordinary course of business and requires the approval of shareholders of the Company under Section 188 of the Act or which have specifically been recommended by the Board for shareholders' approval.

III. No related party shall vote to approve such resolutions irrespective of whether the entity is a party to the particular transaction or not.

IV. The notice issued to the shareholders seeking approval for any RPT shall, in addition to the disclosures required under the Companies Act, 2013, include, as part of the explanatory statement, the information prescribed under the applicable Industry Standards.

Approval by Circular Resolution of the Audit Committee

In the event the Company determines that it is impractical or undesirable to wait until a meeting of the Audit Committee to enter into a Related Party Transaction, such transaction may be approved by the Audit Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force.

Ratification of Related Party Transactions not approved under this Policy

I. Where owing to exigencies or unfeasibility, the Company becomes aware that Related Party Transactions have been consummated without being placed for prior approval of the Committee, the Company shall provide proper explanation to the satisfaction of the Committee. The Committee shall evaluate such transactions by taking into account all relevant considerations and may subsequently ratify such transactions within a period of 3 months from the date of the transaction or at the immediate next meeting of the Committee, whichever is earlier, subject to the following conditions:

i. The value of transactions, whether entered into individually or taken together, during a financial year shall not exceed Rs. One Crore;
ii. The transaction is not material in terms of the Regulation 23(1) of SEBI LODR.
iii. Rational for inability to seek prior approval for the transaction.
iv. The details of the ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of SEBI LODR.
v. any other condition as may be specified by the Audit Committee.

Provided that failure to seek ratification of the Committee shall render the transaction voidable at the option of the Committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

II. While granting approval, the Committee/Board shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company/its subsidiary(ies), including ratification, revision, and termination of the Related Party Transaction. The Committee/Board shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee/Board under this Policy and shall take any such action it deems appropriate.

III. In any case, where either the Committee or Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee or Board, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

IV. In connection with any review of a Related Party Transaction, the Committee / Board has authority to modify or waive any procedural requirements of this Policy, subject to the applicable laws.

Nothing in this Policy shall override any provisions of the law made in respect of any matter stated in this Policy.

Transactions Which Do Not Require Approval

Notwithstanding the abovementioned, the following Related Party Transactions shall not entail any approval:

I. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

II. Transactions entered into between two wholly-owned subsidiaries of Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

III. Corporate actions/benefits which are uniformly applicable/offered to all shareholders in proportion to their shareholding such as:
   a) payment of dividend;
   b) subdivision or consolidation of securities;
   c) issuance of securities by way of a rights issue or a bonus issue;
   d) buy-back of securities.

IV. Retail purchases from the Company or its subsidiaries by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

V. Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group, provided it is not of material in terms of the provisions of Regulation 23(1) of SEBI LODR.

VI. Facilities available or transaction entered into by the Company/its subsidiary(ies) with all employees in general.

VII. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

VIII. Any other exception which is consistent with the applicable laws, including any rules or regulations made thereunder.

Reporting & Disclosures

I. The Designated Employees responsible for entering into any contracts / arrangements on behalf of the Company/ Subsidiary(s) shall submit a summary of all Related Party Transactions including transactions approved under Omnibus Mechanism, along with information and documents as mentioned under **Table D** to the Company Secretary & CFO on a quarterly basis.

II. The Internal Auditor shall review the information and documents submitted by the Designated Employee and shall certify that all the reported transactions are at arms' length and in line with this policy.

III. The Company Secretary & CFO shall place the summary of all Related Party Transactions, as reported by the Designated Employees along with the certificate of the Chief Internal Auditor before the Audit Committee during the meetings to be held for consideration/approval of quarterly/half yearly/annual financials.

IV. A summarized statement of all transactions with related parties executed during the quarter, pursuant to any contract or arrangement approved by the Committee (including modifications to such existing contract or arrangement), or the Board or the shareholders, as applicable, shall be submitted to the Board as well as the Committee at regular quarterly meetings for information, review and noting.

V. The Company shall comply with all the reporting and disclosure requirements as may be prescribed from time to time in terms of applicable laws including the Act and SEBI LODR.

Policy Review and Amendment

Though the Committee or Board shall have all the right to amend this Policy, however, this Policy may stand amended because of any regulatory amendments, clarifications etc. in the applicable laws. The amendment shall be deemed to be effective from the date on which such regulatory amendments, clarifications etc. comes into force.

The adequacy of this Policy shall be reviewed and reassessed by the Committee once in every three years and appropriate recommendations shall be made to the Board to update the Policy accordingly.

Annexure-I

Definitions

I. **"Act"** means the Companies Act, 2013 read with the rules & regulations notified thereunder, as amended from time to time.

II. **"Applicable Law"** means the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modifications/ re-enactments thereof) and includes any other statute, law, standards, circulars, notifications, regulations or other governmental instruction relating to Related Party Transactions.

III. **"Arm's Length Transaction**" means a transaction among two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

IV. **"Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under provisions of SEBI LODR & the Act.

V. **"Board"** means Board of Directors of the Company.

VI. **"Company"** means TCI Express Limited, including its divisions (if any).

VII. **"Designated Employees**" means COOs/Functional/Departmental heads and such other employees of the Company/subsidiaries who are responsible for entering into contracts/ arrangements/ agreements with entities for and on behalf of the Company, as may be identified and determined by the Company Secretary and CFO from time to time.

VIII. **"Key Managerial Personnel (KMP)"** means:
   a) Executive Directors;
   b) Chief Financial Officer;
   c) Chief Operating Officer;
   d) Chief Business Officer;
   e) Company Secretary; &
   f) Such other officer appointed and designated as KMP by the Board in accordance with the Act.

IX. **"Material Related Party Transaction"** means transactions as defined under **Table A & B** of **Annexure-II.**

X. **"Material Modification"** means amendment in existing terms of an approved transaction triggering any of the following conditions whether individually or in aggregate:

   a) Any change in the aggregate transaction value of a Related Party Transaction exceeding 20% of the originally approved value or consideration, as approved by the Audit Committee, Board of Directors, or Shareholders of the Company, as applicable.
   b) Extension in duration of Related Party Transaction contracts beyond a period of 6 months;
   c) Any modification in significant terms and conditions of the contract with a related party;
   d) Such other factors as may be decided by the Audit Committee while granting approval of any related party transaction.

XI. **"Omnibus Approval"** means a consolidated/standing approval given by the Audit Committee in respect of transaction(s) which are repetitive in nature.

XII. **"Ordinary Course of Business"** may include the usual transactions, customs and practices of the company, or transactions permitted by the Object Clause in the Memorandum of Association of the Company.

XIII. **"Policy"** means Related Party Transaction Policy.

XIV. **"Relative"** means relative as defined under the Act & SEBI LODR.

XV. **"Related Party"** means Related Party as defined under:

a) Section 2(76) of the Act read with Rules made thereunder.
b) Regulation 2(zb) of SEBI LODR read with proviso provided thereunder.
c) Such other persons as may be notified from time to time under the Act or SEBI LODR or Accounting Standard.

XVI. "**Related Party Transaction**" means;

a) Transaction(s) covered under Regulation 2(zc) of SEBI LODR involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged and includes a single transaction or a group of transactions in a contract.
b) Transaction(s) covered under Section 188 of the Act and the Rules framed thereunder
c) Such other transactions as may be notified from time to time under the Act or SEBI LODR or Accounting Standard.

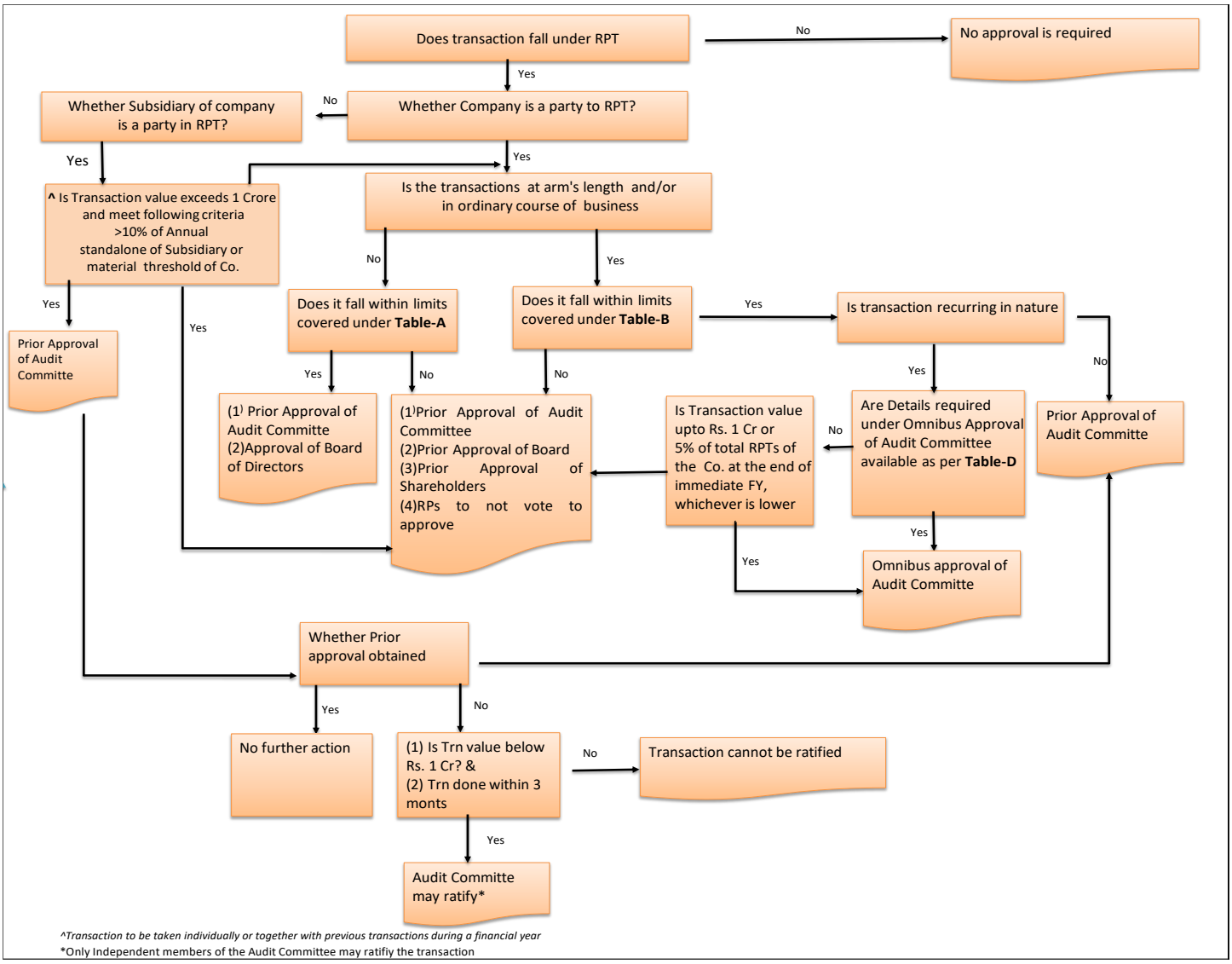
XVII. **"SEBI LODR"** means SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

XVIII. **"Subsidiary"** means a subsidiary as defined under Regulation 2(zm) of SEBI LODR read with Section 2(87) of the Act.

XIX. **"Transaction"** with related party shall be construed to include a single transaction or a group of transactions.

Annexure-II

Approval Matrix and Exclusions



^Transaction to be taken individually or together with previous transactions during a financial year

*Only Independent members of the Audit Committee may ratifiy the transaction

Table-A

Sl. No.	Nature of Transactions	Materiality as per the Act
1	Renting/Leasing of property	10% or more of the turnover
2	Purchase/ sale of property	10% or more of the net worth
3	Purchase/sale of material, goods etc.	10% or more of the turnover
4	Availing/ Rendering Services	10% or more of the turnover
5	Appointment of related party to an office or place of profit in Company, its subsidiary or associate company	monthly remuneration exceeding Rs. 2.5 Lakhs
6	Remuneration for underwriting the subscription of any securities or derivatives thereof of the company	Exceeding 1% of the net worth
i) Net worth and turnover would be as per audited financial statements of the preceding financial year. Ii) Transactions to be taken individually or together with previous transactions during a financial year		

Table B

Sl. No.	Nature of Transactions	Materiality as per SEBI LODR*
1	Usage of Brand and payment of royalty thereof	All transactions with one party exceeding 5% of the annual consolidated turnover of the Company
2	Any other transaction	All transactions with one party exceeding 10% of the annual consolidated turnover of the Company,
*including material modifications thereof. Note : Transactions to be taken individually or together with previous transactions during a financial year Since the annual consolidated turnover is below ₹20,000 crore, the 10% threshold shall be applicable		

Table C

Sl. No.	Nature of Transactions	Supporting documents /Records				
		Draft Master Agreement	Quotation	Valuation report	Details of transaction with any unrelated party(ies)	Necessity/ Justification of transaction/Statement of Comparability Analysis
1	Renting of property	Required	NA	From an independent valuer to ascertain Fair Market Value	NA	Brief note on justifying the transaction
2	Purchase/ sale of property	Sale/Purchase order	NA	From an independent valuer to ascertain Fair Market Value	NA	Brief note on justifying the transaction
3	Purchase/sale of material, goods etc.	Sale/Purchase order	* For diesel, currently government controlled price	NA	Invoices/ bills of similar transactions on same or nearby date with unrelated parties	NA
4	Availing/ Rendering Services	Required	Required	NA	Invoices/ bills of similar transactions on same or nearby date with unrelated parties	Brief note on justifying the transaction
5	Staff Deputation to associates /subsidiaries	Required	NA	NA	NA	Brief note on justifying the transaction
6	Loans/ Advances given or Taken	Required	NA	NA	NA	Brief note on justifying transaction
7	Subscription to shares/ debentures/ securities	NA	NA	NA	NA	Brief note on justifying the transaction

Table D

Details required for Omnibus Approval of Audit Committee	
Sl. No	**Particulars**
1	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
2	Type, material terms and particulars of transaction
3	Tenure of transaction
4	Maximum amount of transactions that can be entered into
5	The indicative base price / current contracted price and the formula for variation in the price, if any
6	Justification as to why the RPT is in the interest of the company
7	%age of total proposed value to Company's consol turnover for the immediately preceding financial year
8*	%age of total proposed value to the RP's turnover for the immediately preceding financial year
9	A copy of the valuation or other external party report, if any
10	Transaction entered either individually or taken together with previous transaction(s) during a financial year shall not exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements.
11	Such other conditions as the Audit Committee may deem fit
* In case of RPT involving a subsidiary	
If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:	
I	details of the source of funds in connection with the proposed transaction
Ii	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
	1. Nature of indebtedness; 2. Cost of funds; and 3. Tenure;
Iii	applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
Iv	the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT

Annexure-III
Guidelines on Determination of Basis of Arm's Length Price

These are guidelines to employees on applying the arm's length principle. The guidance on the arm's length principle is applicable to all transactions, both local and cross-border, between the Company and its related parties.

Arm's Length Basis

The arm's length principle requires the transaction with a related party to be made at similar terms & price under comparable conditions and circumstances as a transaction with an unrelated party.

The application of arm's length principle involves the identification of comparable situation(s) or transaction(s) undertaken by unrelated parties against which the Related Party Transaction or margin is to be benchmarked. This step commonly known as "comparability analysis". It entails an analysis of the similarities and differences in the conditions and characteristics that are found in the Related Party Transaction with those in an unrelated party transaction.

The method as prescribed in Income Tax Act, 1961 as amended from time to time, may also be considered for determination of optimum Arm's Length price

Factors Affecting Comparability

a- Characteristics of Goods, Services or Intangible Properties under transactions
The specific characteristics of goods, services or intangible properties play a significant part in determining their values in the open market. For instance, a product of better quality and more features would fetch a higher selling price.

b- Analysis of Functions, Risks and Assets
Proposed pricing depends on the functional characteristics of the assets used and risks assumed. For instance, an entity selling a product with warranty should earn a higher return compared to another entity selling the same product without the provision of warranty. Likewise, a product with a reputable branding is expected to fetch a higher return compared to that of a similar product without the branding.

c- Commercial and Economic Circumstances
Prices may vary across different markets even for transactions involving the same property or services. In order to make meaningful comparisons of prices or margins between entities/transactions, the markets and economic conditions in which the entities operate or where the transactions are undertaken should be comparable.

d- Government policies and regulations
Government policies and regulations such as price controls etc. may have an impact on prices and margins. Hence, the effects of these regulations should also be examined as part of the examination for comparability of the market and economic conditions.

e- Commercial parlance, customs and trade practices
Custom and trade practices in respect of particular transaction(s) are important in determining the arm's length basis. For example, interest free security deposits given in property lease transactions.

Concluding basis of Arm's length price
Based on comprehensive assessment of the outcome of comparability analysis, significant similarities and differences between the transactions/entities in question and those to be benchmarked against, adjustments could be made for material differences identified.