

ASAL

Automotive Stampings and Assemblies Limited
CIN: L28932PN1990PLC016314

POLICY ON RELATED PARTY TRANSACTIONS

Revised wef April 25, 2026. This policy supersedes the earlier policy dated March 26, 2024

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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 amended from time to time and Regulations 23 read with 2(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, **Automotive Stampings and Assemblies Limited** (“ASAL” or “the 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 light of the above, ASAL has framed the Policy on Related Party Transactions (“**Policy**”) which has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee at its meeting held on October 20, 2014. Going forward, the Audit Committee will review the Policy at least once every three years and amend the Policy, as and when required, subject to the adoption by the Board.

In the event of any conflict between Company’s Policy and applicable Acts and Regulations of SEBI, the provisions of the Acts and Regulations shall supersede the Company Policy.

2. ABOUT THE COMPANY

The Company is in the business of manufacturing sheet metal components, assemblies and sub-assemblies for the automotive industry. The Company is primarily a Tier-I (auto component companies that supply directly to the OEMs) auto components supplier. The Company is a subsidiary of Tata AutoComp Systems Limited (TACO).

The Company has five plants located at Chakan I & II (Maharashtra), Pantnagar (Uttarakhand), Jamshedpur (Jharkhand) and Sanand (Gujrat).

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3. OBJECTIVE OF THE POLICY

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

4. DEFINITIONS

“Act” means the Companies Act, 2013 as amended from time to time;

“Audit Committee” shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

“Board of Directors” or “Board” means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

“SEBI Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Regulation 23” means the Regulation 23 of the SEBI Listing Regulations.

“Arm’s Length Transaction (ALP)” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

“Ordinary Course of Business (OCB)” means a transaction which is

- carried out in the normal course of business envisaged in accordance with the Memorandum of Association (MoA) of the Company as amended from time to time; or
- historical practice with a pattern of frequency; or
- common commercial practice; or
- meets any other parameters / criteria as decided by the Board / Audit Committee.

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“Material Related Party Transactions” means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations which is provided below:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

*Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Material modification” means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more or by which the transaction ceases to be in ordinary course and/or on arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.

“Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;

“Related Party” shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Reference and reliance may be placed on the clarifications or amendments issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”.

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“Related Party Transactions” shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act.

“Key Managerial Personnel” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP in compliance with the provisions of Regulations 2(1)(o) and 6 of the SEBI Listing Regulations and Section 2(51) read with Section 203 of the Act.

“Transaction” shall be construed to include single transaction or a group of transactions in a contract.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions” as notified by SEBI vide its circular dated June 26, 2025, and subsequently as amended from time to time.

(The industry standards are not applicable to RPTs with value less than ₹1 crore in a year)

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

5. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction (“RPT”) exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions. None of the related parties (“RPs”) of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP’s can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

ASAL has fixed its materiality threshold for the purpose of Regulation 23 of the SEBI Listing Regulations as followed:

- Transactions with a Related Party exceeding thresholds mentioned in Schedule XII of the SEBI Listing Regulations. The thresholds are provided below:

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Consolidated Turnover of Listed Entity Threshold	Threshold
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(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

- Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

6. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related parties

ASAL has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and the Listing Regulations.

b) Identification of related party transactions

ASAL has formulated guidelines for identification of related party transactions in accordance with Section 188 read with section 177 of the Act and Regulation 2(1)(zc) of the Listing Regulations. ASAL has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a. Material Related Party Transactions
- b. Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.
- c. Residual Related Party Transactions.

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The industry standards are not applicable to RPTs with value less than ₹1 crore in a year.

c) Procedure for approval of related party transactions

- Prior Approval of the Audit Committee

All related party transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - i. Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - ii. The maximum value per transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
 - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
3. The omnibus approval shall provide details of (i) the name(s) of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year; (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any, (iii) minimum information about the RPTs as per the provisions of the Industry Standards and (iv) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transactions cannot be

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foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction.

4. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company or its subsidiary pursuant to the omnibus approval given;
 5. Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for material related party transactions, granted by the shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.
 6. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
 7. Any other conditions as the Audit Committee may deem fit.
- While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek inter alia the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - ii. the indicative base price / current contracted price and the formula for variation in the price, if any;
 - iii. Minimum Information to be placed before the Audit Committee as required under the Industry Standards;
 - iv. such other information /documents/confirmations as the Audit Committee may deem fit from time to time.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of

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the Industry Standards.

- Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
 - Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
 - Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
 - Transactions meeting the materiality thresholds laid down Clause 5 of the Policy, which are intended to be placed before the shareholders for approval.
- Approval of the Shareholders of the Company

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 5 of the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve such Resolutions irrespective of whether the entity is a related party to the particular transaction or not.

Regulation 23 of the Listing Regulations provides that the requirement for seeking shareholders' approval shall not be applicable to transactions between ASAL and its wholly owned subsidiary/ies whose accounts are consolidated with ASAL.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

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However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

- i. transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
- ii. Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- iii. Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.
- iv. 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.
- v. transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

7. 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 arm's length basis along with the justification for entering into such transaction.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

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8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

The members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the Listing Regulations.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

April 25, 2026