NDR AUTO COMPONENTS LIMITED

Registered Office: Level-5, Regus Caddie Commercial Tower, Hospitality District Aerocity, IGI Airport, New Delhi 110037

CIN: L29304DL2019PLC347460

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Date of Approval	**November 06, 2025**

I. LEGAL FRAMEWORK

The Board of Directors of NDR Auto Components Limited **("Company")** is obliged to formulate a policy for determining "Material Subsidiaries" in accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")** to comply with the requirements stated therein regarding such material subsidiaries. Regulation 24 of the SEBI Listing Regulations extends certain principles of corporate governance to material subsidiaries of listed companies.

II. OBJECTIVE OF THE POLICY

This Policy is framed in accordance with the requirements of the SEBI Listing Regulations (including any amendments thereof) and is intended to ensure governance of the subsidiary(ies) of the Company including subsidiary(ies) which are determined as 'material'.

III. DEFINITIONS

a. **"Act"** means the Companies Act, 2013 & rules made thereunder, including any amendments or modifications thereof.

b. **"Audit Committee"** means the committee constituted by the Board of the Company under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

c. "**Board"** means the Board of Directors of NDR Auto Components Limited, as constituted from time to time.

d. **"Company**" means NDR Auto Components Limited.

e. "**Holding company**" means a holding company as defined under Section 2(46) of the Act.

f. **"Independent Director"** means an independent director as defined under the Act and the SEBI Listing Regulations from time to time.

g. **"Material Subsidiary"** means a material subsidiary of the Company as under Regulation 16(1)(c) of the SEBI Listing Regulations, or as may be amended in the SEBI Listing Regulations from time to time. However, for the purpose of the appointment of

Independent Directors, a material subsidiary shall be a Company as under Explanation to Regulation 24(1) of the SEBI Listing Regulations as may be amended from time to time.

h. **“Net Worth”** means net worth as defined under section 2(57) of the Companies Act, 2013.

i. **“Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

j. **“Unlisted Subsidiary"** means a Subsidiary of the Company whose shares are not listed on any stock exchange.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable regulations.

IV. CRITERIA FOR DETERMINING THE MATERIAL SUBSIDARIES:

A Subsidiary of the Company shall be regarded as Material Subsidiary if it falls under the criteria of the definition provided above. The Audit Committee shall review such details / information as may be required to determine the ‘Material Subsidiaries’ from time to time.

V. GUIDING PRINCIPLES

Material Subsidiary of the Company would be identified, if any annually and such exercise may be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company. The identification may be conducted soon after preparation of annual accounts and the outcome will be placed before the Audit Committee or Board, as the case may be, in the meeting where the annual audited accounts of the Company are considered.

VI. PROCESS OF DETERMINATION AND COMPLIANCES IN RESPECT OF MATERIAL SUBSIDIARIES

a. The Company shall place before the Board, annual financial statements of all its Subsidiaries, including the quantum of investments made in such Subsidiaries in respect of its consolidated income and net worth as per the audited balance sheet of the previous accounting year.

b. Once a Subsidiary is identified as Material Subsidiary, the Company shall adhere to the following procedures:

I. The Company shall not dispose of the shares of the Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or pursuant to the requirements of Insolvency and Bankruptcy Code, 2016.

II. Selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary shall require prior approval of shareholders of the Company by way of special resolution except where the sale/disposal/lease is made under a scheme of arrangement duly approved by the Court/Tribunal or pursuant to the requirements of Insolvency and Bankruptcy Code, 2016.

III. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of the unlisted material subsidiary company(ies), which may or may not be incorporated in India.

Explanation: For the purpose of clause (iii) above, notwithstanding anything to the contrary contained in this Policy, the term "Material Subsidiary" shall mean a subsidiary, which meets the criteria as provided in the Explanation to Regulation 24(1) of the SEBI Listing Regulations as may be amended from time to time.

VII. SECRETARIAL AUDIT

The Unlisted Material Subsidiaries incorporated in India shall undertake secretarial audit; and the Company shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

VIII. GENERAL COMPLIANCES IN RESPECT OF OTHER SUBSIDIARIES

Apart from the above, the following general compliances shall be adhered to by the Company with respect to all its Subsidiaries, whether or not they are Material Subsidiaries:

a. The Audit Committee and the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on an annual basis.

b. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.

c. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

d. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendations for appointment of Independent Director in the Unlisted Material Subsidiary.

e. The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company, in accordance with Regulation 30(9) of the SEBI Listing Regulations.

IX. DISCLOSURE OF THE POLICY

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

X. AMENDMENTS

This policy is framed pursuant to the provisions of SEBI Listing Regulations and in compliance with provisions of Companies Act, 2013. In case of any subsequent changes in the provisions of the Companies Act, 2013 or SEBI Listing Regulations which make any of the provisions in the policy inconsistent with the Act or SEBI Listing Regulations, the provisions of Act or SEBI Listing Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. This Policy will be reviewed periodically by the Board and amended as appropriate.