

**NEO CORP INTERNATIONAL LIMITED**  
**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

[Pursuant to Clause 16 (c) of Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

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**1. Title & Applicability:**

The Board of Directors of **Neo Corp International Limited** (the "Company") has adopted the following policy and procedures with regard to determination of material subsidiary(ies).

This Policy shall be called "Policy for determining material subsidiaries".

This Policy will be applicable to the Company with effect from 01<sup>st</sup> December, 2015 in terms of Clause 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"].

**2. Objective:**

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

**3. Identification of 'Material' subsidiary:**

A subsidiary shall be considered **Material** if any of the following conditions is satisfied:

1. the investment of the Company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
2. the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.

**4. Governance Framework:**

1. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company.
3. The management should 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.
4. At least one Independent Director of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

## **5. Disposal Of Material Subsidiary:**

The Company shall not:

1. dispose of the shares in its 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 divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
2. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

## **6. Policy Review:**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.