Zeal Global Services Limited

POLICY ON MATERIAL SUBSIDIARIES

Legal Framework

The Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") as amended, requires the Company to formulate a policy for determining "Material Subsidiaries". The Regulation 24 extends certain principles of corporate governance with respect to subsidiaries of the Company.

DEFINITIONS:

"Act" means Companies Act, 2013 or any re-enactment thereof and Rules made thereunder.

"Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company from time to time under the Companies Act, 1956/ Companies Act, 2013 and the SEBI LODR Regulations.

"Board of Directors" or "Board" means the Board of Directors of Zeal Global Services Limited as constituted from time to time.

"the Company" means "Zeal Global Services Limited"

"Holding Company" in relation to one or more other companies means a company of which such companies are subsidiaries companies.

"Policy" means Policy on Material Subsidiary.

"Material Subsidiary" mean subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the company and its subsidiaries in the immediately preceding accounting year.

"Significant Transaction or Arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

"Subsidiary" shall mean a subsidiary as defined under the Companies Act, 2013.

Provisions with regard to material subsidiary companies

- At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a unlisted material subsidiary company;
- The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company;
- The Minutes of the meetings of the Board of Directors of the unlisted material Subsidiary shall be placed before the Board of the Company.

ZEAL GLOBAL SERVICES LIMITED

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

- Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company and no holding company shall allot or transfer its shares to any of its subsidiary companies. Nothing contained in this clause shall apply in the following circumstances:

  i) Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
  ii) Where the subsidiary company holds such shares as a trustee; or
  iii) Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.

- The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent 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.

- The Company shall include particulars of its subsidiary companies in its annual report/Directors Report.

Disclosures

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

Amendments

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy.

ZEAL GLOBAL SERVICES LIMITED