

## **DIVIDEND DISTRIBUTION POLICY OF RATEGAIN TRAVEL TECHNOLOGIES LIMITED (“THE COMPANY”)**

### **I. POLICY STATEMENT**

Dividend Distribution Policy (“Policy”) sets forth the broad principles that would guide the Board of Directors (“Board”) of RateGain Travel Technologies Limited (“Company”) in matters concerning declaration and distribution of dividend, with a view to impart transparency in the decision making process and ultimately assist stakeholders in making informed investment decisions. The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders’ value.

Dividend is generally understood to mean the amounts distributed to shareholders out of the profits of a company. Dividend under Indian law can either be final dividend that is declared at the end of a financial year by the shareholders on the recommendation of the Board or interim dividend that is declared by the Board during the financial year.

### **II. SCOPE AND OBJECTIVE**

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company’s growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

### **III. COMPLIANCE OFFICER**

The Company shall, from time to time, designate an employee of sufficient seniority, competence and independence as the compliance officer to ensure compliance with the provisions of this Policy (“Compliance Officer”) and the same shall be notified to the Designated Persons. The Company Secretary has been designated as the Compliance Officer. All reports, complaints, doubts or concerns in relation to matters covered by this Policy should be raised by the relevant Designated Persons to the Compliance Officer.

### **IV. DEFINITIONS**

“Act” means the Companies Act, 2013

“Applicable laws” means Securities Laws, Listing Regulations and other laws and statutes applicable to the Company.

“Board” means board of directors of the Company as constituted from time to time. “Company” means Rategain Travel Technologies Limited

“Final Dividend” means dividend is declared at the annual general meeting of the company.

“Interim Dividend” means dividend is declared by the Board of directors during any financial year out of surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.

“Policy” means this policy on Dividend Distribution formulated by the Company.

“SEBI Listing Regulations” means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

“Year” means financial 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 and as amended from time to time.

## **V. STATUTORY REQUIREMENTS**

The declaration and distribution of dividend shall, at all times, be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being (“Act”) in particular Sections 2(35), 24, 51, 134(3)(k), 123, 124, 125, 126 and 127 of the Act and the Companies (Declaration and Payment of Dividend) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), such other applicable provisions of law and the Articles of Association of the Company as amended.

## **VI. PRINCIPLES AND APPROACH TO DIVIDENDDECLARATION**

1. Subject to applicable law, the recommendation of dividend for approval of the shareholders is at the discretion of the Board of the Company since ultimately, it is the Board of the Company that is best placed to determine what is in the best interest of the Company. The Board of the Company shall endeavor to strike a balance between: (i) the Company’s interest to capitalize its profits, boost cash flows and use surplus funds for its business operations and (ii) the interests of its shareholders, in benefitting from their decision to invest in the shares of the Company.
2. The dividend distribution policy is inherently dynamic and will depend on a number of factors.

Accordingly, the Company's historical payment of dividends is not indicative, nor can it serve as a template, for payment of dividends in the future.

3. The provisions of the Policy should be read in light of these fundamental principles.

## **VII. BASIS FOR DIVIDEND PAYMENT**

1. The Companies Act, 2013 ("Act") inter-alia permits the Company to declare or pay dividend:  
(i) out of the profits for that year or out of the profits for any previous financial years that remain undistributed, after providing for depreciation or (ii) out of accumulated profits transferred to free reserves, where profits for that year are either inadequate or absent, in accordance with the Rule 3 of Companies (Declaration and Payment of Dividend) Rules, 2014.
2. The decision to pay dividend to its shareholders would depend principally on the availability of adequate net profit as disclosed in the annual financial statements of the Company, after taking into account the Company's cash position, economic status as well as the Company's medium and long term development plans, in light of the principles and factors set out in this Policy.
3. Dividend may be paid out of: (i) the relevant financial year's profit, after providing for depreciation and after transferring to free reserves such amount as may be prescribed, subject to applicable law, or as may be otherwise considered appropriate by the Board of the Company at its discretion or (ii) the net profit/surplus from any previous financial year(s), after providing for depreciation and remaining undistributed.
4. Final dividend, the final dividend is declared and approved by the shareholders on the basis of the recommendation of the Board at the end of a particular fiscal year. The amount of final dividend is recommended by the Board after all financial statements are recorded for that particular fiscal year and the Board is aware of the company's profitability and financial health.
5. Interim dividend, the interim dividend shall be declared and approved by the Board during the fiscal year, in accordance with the applicable laws, Rules and Regulations.
6. Ordinarily, when the Company posts a loss or the internal or external factors highlighted below, merit retention of earnings, dividend shall not be paid, unless the Board of the Company may otherwise in its discretion, determine, subject to compliance with applicable law.
7. The Board of the Company shall have regard to the following illustrative internal and external factors, in declaring dividend:

**A) Internal factors**

- i. Company's earnings;
- ii. General financial condition;
- iii. Short term and long term capital requirements;
- iv. Acquisitions including any strategic acquisitions;
- v. Investments in subsidiaries or associate;
- vi. Investments in other business;
- vii. Results of operations;
- viii. Cash positions;
- ix. Contractual obligations;
- x. Overall financial position; and
- xi. Restrictive covenants under financing arrangements with lenders.

**B) External Factors**

- i. General state of the economy - In case of uncertain or recessionary economic and business conditions, Board of the Company will endeavor to retain larger part of profits to build up reserves to absorb any adverse unforeseen circumstances.
- ii. Government Policy - The Company operates in IT sector and policies of the Government of India in relation to the IT sector, would have a bearing on the decisions of the Company.
- iii. General outlook- When the markets are favorable, the possibility of a dividend payment is higher. However, in case of unfavorable market conditions, Board of the Company may resort to a conservative dividend pay-out in order to conserve cash outflows.
- iv. Others- Cost of raising funds from alternate sources, Inflation rates, Sense of shareholders' expectations, Cost of external financing

**VIII. COMPANY'S APPROACH TO DIVIDEND PAYOUT**

The Board in general after considering all the internal and external factors will recommend the payment of final dividend at the end of the fiscal year which shall be subject to the approval of the shareholders of the Company. The Company expects to only declare one final dividend each year. However, the Board may, at its sole discretion, declare interim dividend during the financial year.

**IX. FINANCIAL PARAMETERS FOR PAYMENT OF DIVIDEND**

1. The portion of the profits of the Company which is distributable amongst the shareholders of the Company as dividend, will be arrived by preparing the profit and loss statement for the entire financial year.

2. The payment of dividend will be subject to the availability of free cash, after considering the cash needs of the business.
3. The dividend declared will be subject to the applicable taxes/duties/fee as per the provisions of income tax act or any other act/laws applicable at the time of declaration of dividend in India.

**X. EXTENT OF DIVIDEND DISTRIBUTION**

1. The Board of the Company shall have the discretion to determine not only the amount of dividend per share net of any applicable taxes/duties/fee but also the time at which the dividend may be distributed to the shareholders.
2. It shall be open to the Board of the Company to revise, vary or modify the proportion of the net profit that may be paid out to as dividend to the shareholders, in its discretion.

**XI. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

- 1 Dividend on Preference Shares: Preference Shareholders shall be entitled and paid dividend at the fixed rate as per the terms of issue and shall stand in priority to equity shareholders for payment of dividend. In case of the Cumulative Preference Shares, if the Company is not having distributable profits for any certain financial year or the Company is not able to pay the dividend, then this shall be accumulated and be paid later on in accordance with the terms of issue and subject to the provisions of the Companies Act, 2013.

The parameters mentioned at Clause A to F in this Policy shall not apply to determination and declaration of dividend on preference shares issued by the Company, as the same will be as per the terms of issue of such preference shares.

- 2 Dividend on Equity Shares: Equity Shareholders shall be entitled for the dividend, interim or final, as the case may be, if declared by the Board of Directors or the shareholders of the Company. Equity dividend shall stand second in priority after payment of dividend to the Preference Shareholders.

**XII. MISCELLANEOUS**

1. Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Companies Act, 2013 or Rules made thereunder.
2. In case of any doubt, ambiguity, dispute or difference arise out of the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Committee, if formed, otherwise board and the decision of such Committee/ Board in such case shall be final.
3. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

4. This Policy shall come into force on the date it is approved by the Board of the Company i.e. with effect from 05<sup>th</sup> August, 2021.

**XIII. POLICY REVIEW AND AMENDMENTS**

1. Company's Board will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.
2. Company reserves the right to vary and/or amend the terms of this Policy from time to time.

**XIV. DISCLOSURES**

The Policy shall be disclosed on the website of the Company i.e. at <https://rategain.com> and a web link in the Annual report.

**XV. DISCLAIMER**

1. The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
2. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.