

Rategain Travel Technologies Limited

Policy for determining Material Subsidiary Companies

1. BACKGROUND

The Policy for determining Material Subsidiary companies has been framed in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory enactments / amendments thereof).

The purpose of this Policy is determination of Material Subsidiaries of RateGain Travel Technologies Limited and disclosure thereof as required under the SEBI Listing Regulations. The Policy also intends to ensure governance of material subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/ arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company.

2. APPLICABILITY

This Policy applies to RateGain Travel Technologies Limited and its Subsidiaries.

The Policy shall become effective from November 22, 2021.

3. DEFINITIONS

- a. Audit Committee implies the Audit Committee constituted by the Board of Directors of the Company from time to time under provisions of the SEBI Listing Regulations and the Companies Act, 2013.
- b. Board implies Board of Directors of the Company.
- c. Company means RateGain Travel Technologies Limited.
- d. Companies Act means the Companies Act, 2013 and the rules made there under.
- e. Control shall include the right to appoint majority of the Directors or to control the management or Policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- f. Directors implies all the Directors on the Board.
- g. MD and CEO implies Managing Director and Chief Executive Officer of the Company.
- h. Independent Director or ID means a director who satisfies the criteria of independence as prescribed under the Companies Act, the rules made thereunder and the Listing Regulations and is on the Board of the Company.
- i. Insolvency Code means the Insolvency and Bankruptcy Code, 2016 and the rules framed thereunder, as amended from time to time.
- j. Material Subsidiary (including Unlisted Material Subsidiary) means unless specified otherwise, a subsidiary whose income or net worth exceeds 10% (Ten) of the consolidated income (including other income) or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- k. Policy means the Policy for determining Material Subsidiary companies
- l. SEBI Listing Regulations means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- m. Significant Transaction or Arrangement implies 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 Material Subsidiary for the immediately preceding accounting year.
- n. Subsidiary shall have the same meaning as defined under the Companies Act.

o. Unlisted Material Subsidiary is a Material Subsidiary whose shares are not listed on any of the stock exchanges in India

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

4. OBJECTIVE OF THE POLICY

The objective of this Policy is to determine the:

- a. Meaning of Material Subsidiary;
- b. Requirement of ID in Unlisted Material Subsidiaries;
- c. Restriction on disposal of shares of Material Subsidiary by the Company;
- d. Restriction on transfer of assets of Material Subsidiary; and
- e. Disclosure requirements, under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

5. IDENTIFICATION OF MATERIAL SUBSIDIARY

The subsidiary shall be identified in terms of the provisions of SEBI Listing Regulations as applicable for each case.

The Audit Committee shall, on an annual basis, review such details/information as may be required to determine the 'Material Subsidiaries'.

6. GUIDING PRINCIPLES

"Material Subsidiary" and "Unlisted Material Subsidiary" of the Company would be identified, if any, as a onetime exercise and such exercise shall be done during each financial year and the conclusion placed before the Audit Committee and the Board of the Company. The identification should happen soon after preparation of annual accounts and the outcome should 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.

7. INVESTMENTS IN SUBSIDIARIES

Approval of the Board is required to invest more than 10% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year in a Subsidiary of the Company.

8. GOVERNANCE FRAMEWORK

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.
- b. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board 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. One ID of the Company shall be a director on the Board of the Unlisted Material Subsidiary Company.

Explanation: For the purpose of this clause, notwithstanding anything to the contrary to this Policy and to the SEBI Listing Regulations, the term material subsidiary shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year.

9. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose off shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in such cases where divestment is made under a scheme of arrangement duly approved by a court/ tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

10. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require 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, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

11. AMENDMENT

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

12. COMPLIANCE

The Board of Directors of the Company or any duly authorized committee thereof, subject to applicable laws, may amend, suspend, or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors or such committee in line with the broad intent of the Policy. The Board of Directors or such committee may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.

13. INTERPRETATION

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

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Review and Amendment Log

Version	Modification Date	Section	Amendment/Modification/Deletion	Brief Description of Change / Review