

POLICY FOR DIVIDEND DISTRIBUTION

OF

TRAVEL FOOD SERVICES LIMITED

1. Background

This Policy of Dividend Distribution (“**Policy**”) has been formulated as per the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“**SEBI Listing Regulations**”).

2. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and the amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of dividend from time to time.

3. Definitions

The terms referred to in this Policy formulated for Travel Food Services Limited (“**Company**”) approved by the Board of Directors (“**Board**”) will have the same meaning as defined under the Companies Act, 2013 and the rules made thereunder and any amendment(s) or modification(s) or circular(s) or notification(s) or order(s) thereof made (“**Act**”), and the SEBI Listing Regulations.

4. Disclosure

This Policy shall be disclosed on the website of the Company and a web link shall also be provided in the annual report of the Company.

This Policy sets out the parameters and circumstances that will be considered by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company.

The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this Policy.

5. Category of Dividends:

The Company may, subject to its articles of association, pay dividends in proportion to the amount paid-up on each share. The Act provides for two forms of dividend - final and interim. The Board shall have the power to recommend a final dividend to the shareholders for their approval in the general meeting of the Company. The Board shall have the absolute power to declare interim dividends during the financial year, as and when they consider it fit.

- Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of the Company has the power to recommend the payment of final dividend to the shareholders in a general meeting. The declaration of final dividend shall be included in the Board's report and the ordinary business items that are required to be transacted at the Annual General Meeting.

- Interim Dividend

This form of dividend can be declared by the Board one or more times in a financial year as may be deemed fit by it or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend. Further, such declaration of interim dividend shall be in line with this Policy. By way of guidance, the Board should usually declare an interim dividend after finalization of quarterly (or half yearly) financial accounts.

a) The circumstances under which the shareholders may or may not expect dividend;

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, the advice of executive management, and other parameters described in this policy. The shareholders of the Company may not expect dividend in the certain circumstances, including but not limited to, inadequacy of profits, proposal to undertake a significant expansion project or any acquisitions or joint arrangements, requiring higher allocation of capital, buy-back of securities, setting off previous losses of its subsidiary/ies, subject to the discretion of the Board and Applicable Laws.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for any proposed or ongoing or planned business expansion or other factors which may be considered by the Board. 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 financial year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.

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, if any.

b) The financial /internal parameters that shall be considered while declaring dividend;

The Board of Directors of the Company shall consider the following financial parameters

while declaring dividend or recommending dividend to shareholders:

i) **Capital allocation plans including:**

- Expected cash requirements of the Company towards working capital, capital expenditure in technology and Infrastructure etc.;
- Investments required towards execution of the Company's strategy;
- Funds required for any acquisitions that the Board of Directors may approve; and

ii) **Any share buy-back plans.**

- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Any other significant developments that require cash investments.

c) **External factors that shall be considered for declaration of dividend;**

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- i) Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- ii) Any political, tax and regulatory changes in the geographies in which the Company operates;
- iii) Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- iv) Any changes in the competitive environment requiring significant investment.

d) **Policy as to how the retained earnings shall be utilized.**

The profits earned by the Company can either be retained in the business and used for various purposes as outlined in clause (a) above or it can be distributed to the shareholders. The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

e) **Provisions in regard to various classes of shares.**

The provisions contained in this policy shall apply to all classes of Shares of the Company. It may be noted that currently the Company has only one class of shares, namely, Equity Shares.

6. **Review**

This Policy will be reviewed and amended as and when required by the Board.

7. Governance

Being part of SSP Group plc, the Company is committed to maintaining high standards of corporate governance. While striving to align its policies with group-wide policies wherever appropriate, the Company will ensure compliance with applicable laws and consider local circumstances and best practices of its Promoters.

8. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.