
TRAVEL FOOD SERVICES LIMITED
MATERIALITY POLICY FOR DISCLOSURE IN OFFER DOCUMENTS

INTRODUCTION

This policy (the “**Policy**”) has been formulated to define certain materiality policies in respect of the proposed initial public offering of the equity shares of Travel Food Services Limited (the “**Company**”, and such offering, the “**Offer**”), pursuant to the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), in respect of the following:

- a) identification of the ‘material’ outstanding litigation (in addition to all criminal proceedings, actions by statutory/ regulatory authorities and claims relating to direct and indirect tax matters) involving the Company, its Promoters, Subsidiaries, and Directors (collectively, the “**Relevant Parties**”);
- b) identification of the companies to be disclosed as Group Companies of the Company (as defined below); and
- c) identification of the ‘material’ creditors of the Company.

APPLICABILITY

The board of directors of the Company (the “**Board**”) at their meeting held on December 7th, 2024 discussed and approved this Policy. This Policy shall be effective from the date of such approval by the Board.

In this Policy, the term “**Offer Documents**” means the draft red herring prospectus, the red herring prospectus and the prospectus (together with any addenda or corrigenda thereto), as applicable, to be filed by the Company in connection with the Offer with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Maharashtra at Mumbai and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

POLICY

A. Identification of ‘material’ litigation

Requirement

As per the requirements prescribed under the SEBI ICDR Regulations, the following pending litigation shall be disclosed in the Offer Documents:

(A) Involving the Relevant Parties:

- (i) all outstanding criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or judicial authority);
- (ii) all outstanding actions by regulatory and statutory authorities (including notices issued by such authorities);
- (iii) all outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount involved; and
- (iv) Other material outstanding litigation as per this materiality policy.

(B) Involving the Promoters:

- (v) all disciplinary action (*including penalty imposed*) by the SEBI or any of the stock exchanges against the Promoters in the last five financial years preceding the relevant Offer Document including outstanding action;

Policy on materiality

Other than the litigation mentioned in points (i) to (ii) and (v) above, any other outstanding litigation involving the Relevant Parties (including tax litigation mentioned in point (iii) above) would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if the aggregate monetary claim/ amount in dispute/ liability involved, to the extent quantifiable, exceeds:

- (a) two percent of turnover, for the most recent financial year as per the restated consolidated financial statements; or
- (b) two percent of net worth, as at the end of the most recent financial period as per the restated consolidated financial statements except in case the arithmetic value of the net worth is negative; or
- (c) five percent of the average of absolute value of profit or loss after tax, for the last three financial years as per the restated consolidated financial statements,

whichever is lower, of the Company. Such threshold being the “**Materiality Threshold**”).

Further, the following litigation shall also be considered ‘material’ and shall be disclosed in the Offer Documents:

- (i) litigation where the decision in one case is likely to affect the decision in similar cases, such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual case may not exceed the Materiality Threshold; and
- (ii) any outstanding civil litigation/ arbitration proceedings involving the Relevant Parties wherein the monetary liability is not quantifiable, or does not exceed the Materiality Threshold, if the outcome of such proceeding could have a material adverse effect on the business, operations, performance, results of operations, prospects, financial position or reputation of the Company.

For the above purposes, pre-litigation notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until such Relevant Party is impleaded as a party in proceedings before any judicial/arbitral forum or is notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced.

It is clarified that the term “litigation” when used above, includes arbitration proceedings.

Additionally, all outstanding litigation involving the group companies of the Company (identified in accordance with the policy set out under section (C) of this Policy), that may have a material impact on the Company, shall also be disclosed in the Offer Documents.

Further, it is hereby noted that SSP Group plc, our Corporate Promoter, determines its material disclosure items in accordance with the applicable law in the United Kingdom. Accordingly, the applicability of the Materiality Threshold as set out above has been relied on solely for the purposes of determination of disclosure of outstanding litigation (as mentioned in point (iv)), if any, with respect to the SSP Corporate Promoters in the Offer Documents.

B. Identification of ‘material’ creditors

Requirement

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on its website for outstanding dues to creditors as follows:

- (i) details of the creditors which include the consolidated number of creditors and the aggregate amount involved will be disclosed in the Offer Documents;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and aggregate amount involved will be disclosed in the Offer Documents and
- (iii) complete details about outstanding over dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the issuer company with a web link thereto in the Offer Documents.

Policy on Materiality

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be ‘material’ for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor by the Company is equal to or exceeds 5% of the consolidated trade payables of the Company as at the end of the most recent financial period for which the restated consolidated financial statements are being included in the Offer Documents.

C. Identification of material companies to be disclosed as group companies of the Company

Requirement

As per the requirements of the SEBI ICDR Regulations, group companies of an issuer company include such companies (other than the Promoters and Subsidiaries of such issuer company):

- (i) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Documents, as covered under the applicable accounting standards; and
- (ii) other companies as considered ‘material’ by the board of directors of such issuer company.

Policy on materiality

For the purpose of disclosure in the Offer Documents, the following companies shall be considered as ‘Group Companies’ of the Company:

- (i) such companies (other than the Promoters and Subsidiaries of the Company) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Documents, as covered under Ind AS 24; and
- (ii) any other companies as may be considered ‘material’ by our Board.

In relation to (ii) above, a company (other than the Promoters and the Subsidiaries) shall be considered “material” and will be disclosed as a “group company” if such company forms part of the Promoter Group and with which there were related party transactions in the last completed full financial year or stub period, as applicable, which individually or in the aggregate, exceed 10% of the total restated consolidated revenue from operations of our Company, for the last completed full financial year as per the restated consolidated financial statements.

GENERAL

It is clarified that this Policy is solely for the purpose of disclosure requirements in the Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory, judicial, quasi-judicial, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/ changes as may be deemed necessary by the Board and as required for compliance with regulatory amendments from time to time.