# TSC INDIA LIMITED

(CIN: U63040PB2003PLC026209)

(FORMERLY KNOWN AS TSC TRAVEL SERVICES LIMITED & TSC TRAVEL SERVICES PRIVATE LIMITED)

## DIVIDEND DISTRIBUTION POLICY

*Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*

## A. PREAMBLE

The Board of Directors ("**Board**") of TSC India Limited ("**the Company**") is committed to creating value for all its stakeholders and to providing sustainable returns. The Board's philosophy is to distribute the maximum possible surplus cash to its stakeholders.

Accordingly, the Company has adopted this Dividend Distribution Policy ("**Policy**") as required under Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

## B. SCOPE & PURPOSE

1. The objective of this Policy is to broadly specify the external and internal factors, including financial parameters and the principles, that shall be considered by the Board while declaring or recommending a Dividend, the circumstances under which stakeholders may or may not expect a Dividend, and the manner in which retained earnings shall be utilised.
2. This Policy is framed pursuant to the Listing Regulations.

## C. APPLICABILITY

1. The Company currently has only one class of shares, i.e. equity shares, and this Policy applies to that class. The Policy shall be subject to review if and when the Company issues any other class of shares.
2. This Policy shall not apply to:
    a) determination and declaration of dividend on preference shares, as and when issued by the Company, as the same shall be governed by the terms of issue approved by the shareholders; and
    b) issue of bonus shares by the Company.

## D. DEFINITIONS

In this Policy, the following terms shall have the meanings set out below:

| Term | Meaning |
|---|---|
| **"Act"** | The Companies Act, 2013 and the rules framed thereunder, as notified by the Ministry of Corporate Affairs, Government of India, and as amended from time to time. |
| **"Board"** | The Board of Directors of the Company. |
| **"Company"** | TSC India Limited (CIN: U63040PB2003PLC026209). |
| **"Dividend"** | Dividend as defined under Section 2(35) of the Act, and includes any interim dividend. |
| **"Listing Regulations"** | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |

| Term | Meaning |
|---|---|
| **"Policy"** | This Dividend Distribution Policy of TSC India Limited. |

## E. DIVIDEND

1. Dividend represents the portion of the profits of the Company that is distributed to shareholders in proportion to the amount paid up on the shares held by them. The Dividend includes interim dividend.
2. The term 'Dividend' is defined under Section 2(35) of the Act as including any interim dividend. It is an inclusive and not an exhaustive definition.

## F. LAWS AND REGULATIONS

1. The declaration and payment of Dividend is governed by the following, as applicable and as amended from time to time:
   a) Chapter VIII of the Act (Sections 123 to 127), which deals with the declaration and payment of dividend;
   b) The Companies (Declaration and Payment of Dividend) Rules, 2014;
   c) The Investor Education and Protection Fund Authority (Awareness and Protection of Investors) Rules, 2001;
   d) The Listing Regulations;
   e) Section 27 of the Securities Contracts (Regulation) Act, 1956;
   f) The Income Tax Act, 1961; and
   g) SEBI guidelines and circulars, as amended from time to time.
2. The Company shall adhere to all applicable laws and regulations, as amended from time to time.

## G. POLICY

### G.1 Parameters and Factors for Declaration of Dividend

The Board shall, *inter alia*, consider the following parameters before declaring or recommending a Dividend:

a) **Statutory and Regulatory Parameters**

The Company shall declare a Dividend only after ensuring compliance with the provisions of the Act and the rules made thereunder, the Listing Regulations and any other applicable regulations.

b) **Financial Parameters and Internal Factors:**

(i) Financial performance, including profits earned by the Company (standalone) during the relevant financial year;

(ii) Available distributable reserves;

(iii) Cash balance and operating cash flows of the Company;

(iv) Earnings Per Share (EPS);

(v) Working capital requirements;

(vi) Capital expenditure requirements, including for business expansion, technological advancement, corporate restructuring, and investments in subsidiaries, joint ventures and associates;

(vii) Likelihood of crystallisation of contingent liabilities, if any;

(viii) Upgradation of physical infrastructure;

(ix) Fund requirements for contingencies and unforeseen events with financial implications;

(x) Cost of borrowing;

(xi) Past dividend payout ratio and trends; and

(xii) Any other factor as the Board may deem fit.

c) **External Factors:**

(i) Prevailing economic conditions;

(ii) Financing costs;

(iii) Government regulations;

(iv) Global economic conditions; and

(v) Taxation policy of the Government.

## G.2 Circumstances Under Which Dividend May or May Not Be Expected

The decision on dividend payout is significant as it determines the quantum of profit to be distributed to shareholders and the quantum to be retained in the business. The Company shall balance these dual objectives of rewarding shareholders through dividends and maintaining adequate internal funding for its business goals.

The Board may not recommend a Dividend, and shareholders of the Company may not expect one, in the following circumstances, subject to the Board's discretion:

a) Proposed expansion plans requiring higher capital allocation;

b) Decisions to undertake acquisitions, amalgamation, merger, joint ventures, new product launches or other transactions requiring significant capital outflow;

c) Requirement of higher working capital for the Company's business;

d) Proposal for buy-back of securities;

e) Inadequacy of profits earned during the financial year;

f) Inadequacy of cash balance; or

g) Adverse market conditions and business uncertainty.

## G.3 Utilisation of Retained Earnings

The Board may retain earnings to make optimal use of available funds and to enhance long-term stakeholder value. The decision on utilisation of retained earnings shall be based on the following factors:

a) Market expansion plans;

b) Product expansion plans;

d) Technological advancement and modernisation;

e) Diversification of business;

f) Long-term strategic plans;

g) Replacement of capital assets;

h) High cost of external debt;

i) Dividend payment; and

j) Such other criteria as the Board may deem fit from time to time.

### G.4 Manner of Dividend Payout

a) **In case of Final Dividend:**

(i) Any recommendation shall be made by the Board, ordinarily at the Board meeting that considers and approves the annual financial statements, subject to shareholder approval.

(ii) The Dividend recommended by the Board shall be approved and declared at the Annual General Meeting of the Company.

(iii) Payment of the Dividend shall be made within the period prescribed by law after declaration, to those shareholders who are entitled to receive the Dividend as at the relevant record date or book closure period.

b) **In case of Interim Dividend:**

(i) Interim Dividend, if any, shall be declared by the Board.

(ii) Before declaring an interim Dividend, the Board shall assess the financial position of the Company and satisfy itself that the Company is in a position to make such payment.

(iii) Payment of the interim Dividend shall be made within the period prescribed by law after declaration, to those shareholders who are entitled to receive the Dividend as at the relevant record date or book closure period.

(iv) Where no final Dividend is declared, the interim Dividend paid during the year, if any, shall be treated as the final Dividend for the purposes of the Annual General Meeting.

### G.5 Parameters for Various Classes of Shares

The Company currently has only one class of equity shares, with equal voting rights. Accordingly, all shareholders are entitled to receive the same amount of Dividend per share. This Policy shall be suitably revisited upon any issue of a new class of shares, having regard to the nature and terms of such shares.

## H. DISCLOSURES

This Dividend Distribution Policy shall be disclosed on the website of the Company at **www.tscindialimited.com** and in the Annual Report, as required under the Listing Regulations.

## I. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions of the Listing Regulations or any other applicable law, the provisions of the relevant law or regulations shall prevail and this Policy shall be construed accordingly.

## J. POLICY REVIEW AND AMENDMENTS

This Policy shall be subject to modification in accordance with any guidelines or clarifications issued from time to time by relevant statutory and regulatory authorities. Any such modifications shall be incorporated into this Policy and approved by the Board.

The Board may periodically review this Policy, taking into account national and global economic conditions, the Company's growth and expansion plans, financial position and such other relevant factors, and may amend this Policy as it considers appropriate.

For TSC INDIA Limited

Managing Director