SPECIALITY RESTAURANTS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction:

Clause 49 (V) (D) of the Equity Listing Agreement entered into by Speciality Restaurants Limited (the "Company"), requires that a policy be formulated to determine "material" subsidiaries. Accordingly, the Company has formulated the Policy for Determining Material Subsidiaries (the "Policy").

2. Definitions:

"**Audit Committee or Committee**" means "Audit Committee" constituted/re-constituted by the Board of Directors of the Company, from time to time, under the provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 2013.

"Independent Director" means a non-executive director (other than a managing director or a whole-time director or a nominee director) of the Company and who satisfies the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and/or the Listing Agreement with the Stock Exchanges.

"Unlisted Subsidiary" shall mean a Subsidiary which is incorporated in India or abroad and is not listed on any Stock Exchanges in India or abroad.

"Significant Transaction or Arrangement" shall mean 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 unlisted subsidiary for the immediately preceding accounting year.

"Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

3. Criteria for determination of "Material Subsidiary":

A subsidiary shall be considered to be a "Material Subsidiary":

a. If the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

b. If the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

4. Material non-listed Indian Subsidiary:

A Material non-listed Indian Subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its Subsidiaries in the immediately preceding accounting year.

5. Compliances:

a. One Independent Director on the Board of Directors of the Company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.

b. The Audit Committee of the Company shall also review the financial statements of the subsidiary company, in particular, the investments made by the unlisted subsidiary company.

c. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed at the Board Meeting of the Company.

d. The management should 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.

e. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material unlisted subsidiary.

6. Disposal of shares/assets of Material Subsidiary:

a. No Company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

b. Selling, disposing and leasing of assets amounting to more than 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.

7. Disclosure:

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report.

8. Amendments:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.