

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**
**1. Preamble:**

The Securities and Exchange Board of India (“SEBI”) has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) on September 2, 2015, which will come into effect from December 1, 2015.

In terms of the criteria specified in Regulation 30 (4) of the Listing Regulations, the Company is required to frame a policy for the determination of materiality, which should be duly approved by the Board of Directors of the Company. The Policy is required to be disclosed on the website of the Company.

In order to comply with the above requirements, Speciality Restaurants Limited (the “Company”) has formulated this policy for the determination of materiality of any event or information (the “Policy”) for disclosure.

**2. Criteria for determination of materiality of events/information:**

Apart from events provided in paragraph A of Part A of Schedule III that are deemed to be material events under sub-regulation 2 of Regulation 30, the Company shall consider the criteria specified in clause (i) of sub-regulation 4 of Regulation 30 of the Listing Regulations, as amended from time to time, for determination of materiality of events specified in paragraph B of Part A of Schedule III of the Listing Regulations.

**3. Disclosure of events or information:**

- A. The following events/ information specified in paragraph A of Part A of Schedule III of the Listing Regulations are deemed to be material events and the Company shall disclose their occurrence to the Stock Exchange(s) without any application of the guidelines of materiality:**

Sr. No.	Events/Information
1	<p>Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.</p> <p>Explanation:- For the purpose of this sub-paragraph, the word ‘acquisition’ shall mean;-</p> <ul style="list-style-type: none"> <li>(i) acquiring control, whether directly or indirectly; or</li> <li>(ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that:-</li> </ul>

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**

	<p>(a) the listed entity holds shares or voting rights aggregating to five percent or more of the shares or voting rights in the said company, or;</p> <p>(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two percent of the total shareholding or voting rights in the company.</p>
2	Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3	Revision in Rating(s).
4	<p>Outcome of the Meetings of the Board of Directors: The listed entity shall disclose to the Exchange(s), within 30 Minutes of the closure of the meeting, held to consider the following:-</p> <p>(a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/despached;</p> <p>(b) any cancellation of dividend with reasons thereof;</p> <p>(c) the decision on buyback of securities;</p> <p>(d) the decision with respect to fund raising proposed to be undertaken;</p> <p>(e) Increase in capital by issue of bonus shares through capitalisation including the date on which such bonus shares shall be credited/despached.</p> <p>(f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for the future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;</p> <p>(g) short particulars of any other alterations of capital including calls;</p> <p>(h) financial results;</p> <p>(i) decision on voluntary delisting by the listed entity from stock exchange (s)</p>
5	Agreements (viz. shareholder agreement (s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s), treaty (ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6	Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7	Change in directors, key managerial personnel (Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8	Appointment or discontinuation of share transfer agent.

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**

9	Corporate debt restructuring.
10	One time settlement with a bank.
11	Reference to BIFR and winding-up petition filed by any party/creditors.
12	Issuances of Notices, call letters, resolutions and circulars sent to shareholders, debentureholders or creditors or any class of them or advertised in the media by the listed entity.
13	Proceedings of Annual and extraordinary general meetings of the listed entity.
14	Amendments to memorandum and articles of association of listed entity, in brief.
15	Schedule of Analyst or institutional investor meet and presentations of financial results made by the listed entity to analysts or institutional investors.

**b. The following events/ information specified in paragraph B of Part A of Schedule III to the Listing Regulations 2015 upon occurrence and meeting the threshold criteria mentioned below upon which the Company shall make disclosure to the Stock Exchange(s) after following the procedural guidelines as given in Point No. 4 of this Policy**

<b>Sr. No.</b>	<b>Events/Information</b>	<b>Threshold Criteria</b>
1	Commencement or postponement in the date of commencement of commercial production or commercial operations of any unit/division.	No threshold limit
2	(i) Change in general character or nature of business brought about by arrangements for strategic, technical manufacturing or marketing tie-up, adoption of new line of business or  (ii) closure of operations of any unit/ division (entirety or piecemeal).	(i) Impact exceeding 1% of revenue of the Company as per the last audited consolidated financial statements.  (ii) Impact exceeding 5% of the revenue of the Company as per the last audited consolidated financial statements.
3	Capacity addition or product launch.	The Company to inform all opening of restaurants under existing brands as well as restaurants launched under new brands where investments including deposits exceeds ₹ 5 crore.

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**

4	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business.	Award or Contract amount not exceeding 1% of revenue of the Company as per the last audited consolidated financial statements.
5	Agreements (viz. loan agreements (as a borrower) or any other agreement (s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.	Borrowings for a minimum period of 3 years for an amount exceeding 1% of revenue as per the last audited consolidated financial statements for each transaction. All other agreements which are not in normal course of business having a value exceeding 1 % of revenue each as per the last audited consolidated financial statements for each agreement which involves a transaction exceeding 1% of revenue..
6	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquakes, flood, fire, etc.) force majeure or events such as strikes, lockouts, etc.	(I) Disruption of operations due to natural calamity/ force majeure, etc. with estimated impact exceeding 20 % of the revenue of the respective restaurant as per the most recent audited annual financial statements.  (ii) In case of strike, lockout, etc., complete closure of a restaurant of the Company, which contribute more than 5% to the Consolidated revenue of the Company as per the latest annual audited financial statements for a continuous period of atleast 15 (Fifteen) days.
7	Effect(s) arising out of change in the regulatory framework applicable in the listed entity.	Impact of which is more than 1 % of the revenue of the Company as per the last audited consolidated financial statements arising out of the change in the regulatory framework. Where the impact is 1% or less the Compliance Officer

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**

		will decide the matter in consultation with the designated Key Managerial Personnel.
8	Litigation (s)/dispute(s) regulatory action(s) with impact.	Outcome of single litigation / dispute determined by Court of Law (not below High Court) or individual matters with similar cause of action which shall be aggregated and regulatory action having an impact of not less than 1% of the revenue of the Company as per the last audited consolidated financial statements.
		<p>No threshold limit on all regulatory actions, criminal and environmental matters, and matters resulting from breach of securities laws.</p> <p>However the above materiality parameters will also apply to the directors, promoters and key managerial personnel of the Company, except where the litigations is of a purely personal nature and unlikely to affect the involved director's, promoters or key managerial personnel's ability to discharge its responsibilities towards the Company.</p> <p>For non-quantifiable matters, the compliance officer shall determine materiality on a case to case basis.</p>
9	Frauds/defaults etc., by directors (other than key managerial personnel) or employees of listed entity.	Amount exceeding 0.25 % of revenue as per the last audited consolidated financial statements in case of employees and as regards Directors any amount.
10	Options to purchase securities including any ESOP/ESPS Scheme	1% of the issued and outstanding share capital of the Company, or which would (alongwith the existing shareholding) result in the

## POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION

		person granted the option holding more than 1% of the issued and outstanding share capital of the Company.
11	Giving of guarantees or indemnity or becoming a surety for any third party	Amount exceeding 1% of revenue of the Company as per the last consolidated audited financial statements.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	<p>1. Granting, Withdrawing, surrender, cancellation or suspension of the following key licences or regulatory approvals the impact of which exceeds 0.25 % of revenue of the Company as per the last consolidated audited financial statements.</p> <p>(a) Food and Safety Licence            (b) Health Licence            (c) Police (RC) Licence            (d) Shop and Establishment</p>

#### 4. Procedural Guidelines for determination of materiality of events/information:

In order to ensure that the Company complies with the disclosure obligations under Regulation 30 of the Listing Regulations, 2015, the Board has established an internal system for reporting any event/information which may require disclosure so that the event/ information can be properly assessed and decision can be made regarding its disclosures to the Stock Exchange(s).

Under the system, the Executive Director (Projects), Business Development and Strategic Planning, the Chief Operating Officer, the Chief Culinary Officer, the Vice President (Operations) and the Heads of Departments who are responsible for relevant areas of the Company's operations (the "**Responsible Persons**") shall report to the Director-Commercial Operations or to the Executive Director-Finance & CFO of the Company any event/ information which may possibly be material immediately on the Responsible Person becoming aware of it.

On receipt of communication of potential material event/information, the Director Commercial Operations or the Executive Director-Finance will pass this on to the Company Secretary, who will:

- (a) review the event/information and take any steps necessary to verify its accuracy;
- (b) assess whether the event/information is required to be disclosed to the

**POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION**

- Stock Exchange(s) under the Listing Regulations; and
- (c) report the matter to the Director-Commercial Operations or the Executive Director-Finance & CFO that event/information is material and requires disclosure under Regulation 30 of the Listing Regulations.

When the Director-Commercial Operations and/or the Executive Director-Finance & CFO and/or the Company Secretary are not certain about the materiality of such event/ information, they may seek external legal advice.

**5. Procedure to be followed in relation to disclosure or announcement of material event/information:**

The following procedures shall be followed for the disclosure or announcement of material event/information:

- (a) **Prepare draft disclosure or announcement to the Stock Exchange(s):** If the event/information is material, the Company Secretary will prepare a draft announcement for the Stock Exchanges based on the facts, describing these clearly, and shall obtain the approval of the Director-Commercial Operations or the Executive Director-Finance & CFO of the Company.
- (b) **Lodgement of disclosure or announcement:** - The Company Secretary, on behalf of the Company, will lodge or arrange for the lodgement of the disclosure or announcement with the stock exchange(s) and simultaneously share this with the Board of Directors.
- (c) **Post disclosure or announcement on website:** After lodgement of the disclosure or announcement with the Stock Exchange(s), the Company Secretary will arrange to place it on the website of the Company. All the announcements made under this Policy shall be hosted on the website of the Company as per the Archival Policy of the Company. If any disclosure or announcement is made about an event, any periodic updates to such event would also be intimated promptly, to the extent applicable.
- (d) Periodic updates on the event already disclosed to the stock exchange.  
The Company Secretary will arrange to inform the stock exchange(s) all updates on the event or information which are already disclosed to the stock exchanges and the same shall be hosted on the website of the Company.

**6. Communication of this Policy:**

A copy of this Policy shall be handed over to all Responsible Persons and Directors. This Policy shall also be hosted on the website of the Company.

## SPECIALITY RESTAURANTS LIMITED

### POLICY FOR THE DETERMINATION OF MATERIALITY OF ANY EVENT OR INFORMATION

#### **7. Amendments to the Policy:**

The Policy shall be reviewed periodically by the senior management and amendments effected to subject to approval of the Board if and when practical difficulties are encountered. However all such amendments are subject to the Listing Regulations and other laws, rules and regulations applicable to the Company from time to time.