

**INDIAN RESTAURANTS GROUP PLC**  
**(AIM: IRGP)**

**Disposal of Chandan Limited**

Indian Restaurants Group Plc ("IRGP" or "the Company") announced that it had entered into a conditional agreement to dispose of Chandan Limited, through which directly or indirectly all of the Company's business is operated, to Swadha Limited. The total consideration for the Sale is £250,000 of which £150,000 will be paid on completion with the balance of £100,000 being paid in 78 equal weekly instalments.

As a term of the Agreement IRGP has agreed to capitalise its intercompany loans to the Chandan Group amounting to, in aggregate, £610,000.

In view of the size and the fundamental nature of disposal of Chandan to the Company, it is a requirement of the AIM Rules that the Sale be approved by Shareholders at a general meeting of the Company. The Sale is therefore conditional on, *inter alia*, the passing of the appropriate resolution at a general meeting of the Company.

If the Resolution is passed, the Agreement will be completed and the Company will cease to have a trade. In accordance with AIM Rule 15 the Company will be treated as an investing company and is required to state its investing policy going forward, which must also be approved by shareholders.

A circular is being prepared the purpose of which is to provide Shareholders with the reasons for, and principal terms of the Sale, and to provide details of the Company's proposed investing policy following Completion ("the Circular"). In addition, the Circular contains a notice convening a General Meeting of the Company at which Shareholders' approval to the Resolutions necessary to implement the Proposals will be sought.

Swadha Limited is owed and controlled by Pranoti Singh, the wife of Kudeep Singh who was until recently a director of IRGP and therefore the Sale is classified under the AIM Rules as a related party transaction. The Directors, having consulted with WH Ireland, consider that the terms of the Sale are fair and reasonable insofar as shareholders are concerned. In providing advice to the Directors, WH Ireland has relied upon information supplied by the Directors and their commercial assessments.

All capitalised terms in this announcement are as defined in the Circular to be sent to shareholders as soon as practicable and will be available on the Company's website, [www.indianrestaurantsgroup.com](http://www.indianrestaurantsgroup.com).

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