

NOTICE

Notice is hereby given that the 15th Annual General Meeting (AGM) of the Members of SPECIALITY RESTAURANTS LIMITED will be held on Monday, September 15, 2014 at 11.00 a.m. at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata-700046 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended March 31, 2014 and the Audited Balance Sheet as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2014.
3. To re-appoint Mr. Vishal Sood (DIN: 01780814) who is liable to retire by rotation and being eligible as a non-executive director, has offered himself for re-appointment.
4. To re-appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration Number: 117366 W/W-100018), be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the AGM to be held in the year 2019 (subject to such appointment being ratified by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee of the Board of Directors in consultation with the auditors.”

SPECIAL BUSINESS:

5. Appointment of Mr. Susim Mukul Datta as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Susim Mukul Datta (DIN: 00032812), one of the Directors of the Company who is liable to retire by rotation at the AGM and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention of Mr. Susim Mukul Datta to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation.”

6. Appointment of Mr. Jyotin Mehta as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Jyotin Mehta (DIN: 00033518), one of the Directors of the Company who is liable to retire by rotation at the AGM and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention of Mr. Jyotin Mehta, to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation.”

7. Appointment of Mr. Tara Sankar Bhattacharya as an Independent Director of the Company.

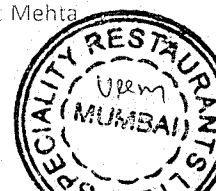
To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force) Mr. Tara Sankar Bhattacharya (DIN: 00157305), one of the Directors of the Company who is liable to retire by rotation and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention of Mr. Tara Sankar Bhattacharya to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation.”

8. Appointment of Mr. Dushyant Mehta as an Independent Director of the Company.

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Dushyant Mehta



(DIN: 00126977), one of the Directors of the Company who is liable to retire by rotation and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention of Mr. Dushyant Mehta to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation."

9. Amendment to the Articles of Association.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended as under:

(a) The existing Article 108 is deleted and substituted by the following new Article 108.

108. One-third of Directors to retire every year:

At the Annual General Meeting of the Company to be held in every year, one third of such of the directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided that the Managing Director appointed or the Director/s appointed as a Debenture Director/s and Special Directors under Articles hereto or the Independent Directors appointed pursuant to the provisions of the Companies Act, 2013 shall not be liable to retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

(b) The existing Clause (e) Article 138 is deleted and substituted by the following new Article 138(e).

138 (e) The Managing Director shall not be liable to retire by rotation as long as he holds office as Managing Director."

**By Order of the Board,
For Speciality Restaurants Limited,**

**V.S. Satyamoorthy
Company Secretary**

Place: Mumbai.
Date: May 28, 2014

Registered Office: Uniworth House,
3A, Gurusaday Road,
Kolkata-700019.
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66
Fax No: 033-22809282

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business set out in the Notice to be transacted at the AGM is annexed hereto and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM, FOR THIS AGM IS ENCLOSED.**
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
6. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
7. Relevant documents referred to in this Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
8. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, September 8, 2014, to Monday, September 15, 2014 (both days inclusive) in order to determine the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The dividend on Equity Shares, if declared at the Meeting will be credited/ despatched on or after September 19, 2014 to those members whose names shall appear on the Company's Register of Members on September 5, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished



by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on such date.

10. Members holding shares in dematerialized form are requested to intimate immediately any change in their address or bank mandate to their respective Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar.
11. Members are requested to address all correspondence including dividend matters, to the Registrar and Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. V.S. Satyamoorthy, Company Secretary, at the Company's Corporate Office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956) be transferred to Investor Education and Protection Fund.
13. Copies of the Annual Report for the financial year 2013-2014 are being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for financial year 2013-2014 are being sent by the permitted modes of service of documents.
14. The Notice of the 15th AGM of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all members whose e-mail addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted modes of service of documents.
15. Members may also note that the Notice for the 15th AGM and the Annual Report for the financial year 2013-2014 will also be available on the Company's website www.speciality.co.in. The physical copies of the aforesaid documents will also be available at the Company's registered office in Kolkata for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investors@speciality.co.in.
16. Voting through Electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members with the facility to exercise their right to vote at the 15th AGM by electronic means.
 - II. The Company has appointed Central Depository Services (India) Limited (hereinafter called as "CDSL") ("Service Provider") for facilitating e-voting to enable the members of the Company to cast their votes electronically pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

In this regard, please note the following process and the manner for voting for members opting for e-voting as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, please follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.



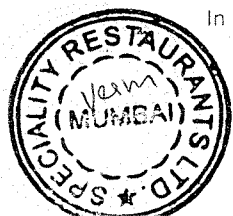
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details.	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on the "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will reach 'Password Creation' menu wherein they will be required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Speciality Restaurants Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- III. The e-voting period begins on Tuesday, September 9, 2014 (9.00 a.m.) and ends on Thursday, September 11, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, September 5, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication (s).
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 5, 2014.
18. A member desirous of exercising his vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutiniser in the enclosed self-addressed pre-paid postage business reply envelope. Postal charges will be borne and payable by the Company. However, if the member decides to courier or send by registered post or delivers his/her Postal Ballot Form in person, expenses will be borne by such member.
19. Members can choose only one of the two options, namely e-voting or voting through physical assent/ dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and



those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.

20. The Postal Ballot Form, duly completed and signed by the member should be returned in the self-addressed pre-paid postage business reply envelope directly to the Scrutinizer before September 11, 2014. Any Postal Ballot Form received after such date shall be treated as if the reply from the member has not been received.
21. M/s. Tarun Chatterjee of M/s. T. Chatterjee and Associates, Practising Company Secretaries has been appointed as the Scrutinizer, to scrutinise the e-voting process in a fair and transparent manner.
22. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses who are not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
23. The results of the e-voting shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM subject to the receipt of requisite number of votes in favour of the resolution. The results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.speciality.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
24. Profile of Directors seeking appointment/re-appointment at the 15th AGM as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange (s) is annexed to this Notice.
25. The Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item No. 5: Appointment of Mr. Susim Mukul Datta as an Independent Director.

Mr. Susim Mukul Datta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Susim Mukul Datta being eligible and offering himself for appointment as an Independent Director of the Company. It is proposed that Mr. Susim Mukul Datta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Susim Mukul Datta for the office of Director of the Company.

Further, Mr. Susim Mukul Datta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and the rules made thereunder and have given his consent to act as Director. The Company has also received a declaration from Mr. Susim Mukul Datta, to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Susim Mukul Datta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Susim Mukul Datta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Susim Mukul Datta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Susim Mukul Datta as an Independent Director.

No Director/ Key Managerial Personnel / their relatives, except Mr. Susim Mukul Datta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 5 for the approval of the members.

Item No. 6: Appointment of Mr. Jyotin Mehta as an Independent Director.

Mr. Jyotin Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder



Mr. Jyotin Mehta being eligible and offering himself for appointment as an Independent Director of the Company. It is proposed that Mr. Jyotin Mehta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder, proposing the candidature of Mr. Jyotin Mehta for the office of a Director of the Company. Mr. Jyotin Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration from Mr. Jyotin Mehta to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Jyotin Mehta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Jyotin Mehta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Jyotin Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jyotin Mehta as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Jyotin Mehta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 6 for the approval of the members.

Item No. 7: Appointment of Mr. Tara Sankar Bhattacharya as an Independent Director.

Mr. Tara Sankar Bhattacharya is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Tara Sankar Bhattacharya, being eligible and offering himself for appointment as an Independent Director. It is proposed that Mr. Tara Sankar Bhattacharya be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Tara Sankar Bhattacharya for the office of Director of the Company. Mr. Tara Sankar Bhattacharya is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration from Mr. Tara Sankar Bhattacharya to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Tara Sankar Bhattacharya as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Tara Sankar Bhattacharya, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Tara Sankar Bhattacharya as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Tara Sankar Bhattacharya as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Tara Sankar Bhattacharya to the extent of his appointment as an Independent Director, is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 7 for the approval of the members.

Item No. 8: Appointment of Mr. Dushyant Mehta as an Independent Director.

Mr. Dushyant Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 2009.

He is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Dushyant Mehta,



being eligible and offering himself for appointment as an Independent Director. It is proposed that Mr. Dushyant Mehta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Dushyant Mehta for the office of Director of the Company. Mr. Dushyant Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and the rules made thereunder and have given his consent to act as Director. The Company has also received a declaration from Mr. Dushyant Mehta to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Dushyant Mehta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Dushyant Mehta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Dushyant Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Dushyant Mehta as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Dushyant Mehta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 8 for the approval of the members.

Item No. 9. Amendment of Articles of Association.

In terms of Article 108 of the Articles of Association, the Managing Director or Whole-time Directors appointed shall not retire by rotation under that Article and they shall not be included in calculating the total number of Directors of whom one third shall retire from office under that Article.

Further, in terms of Article 138 (e) of the Articles of Association the Managing Director and/or the Whole-time Director shall not be liable to retirement by rotation as long as office is held as Managing Director or Whole-time Director.

In accordance with the provisions of section 152 (6) of the Companies Act, 2013, in order to arrive at the number of directors liable to retire by rotation, the independent directors are to be excluded.

In order to give effect to the above provisions of the Companies Act, 2013, it is necessary to amend the Articles of Association for incorporation of necessary changes therein.

The resolution seeks the approval of the members for the amendment to the Articles of Association pursuant to Section 14(1) and other applicable provisions of the Companies Act, 1956 and the Rules made thereunder.

No Director/ Key Managerial Personnel/ their relatives is interested or concerned in the resolution except to the extent of the tenure of appointment of the Managing Director, Whole-time director and independent directors.

The Board recommends the resolution set out in Item No. 9 for the approval of the members.

By Order of the Board,
For Speciality Restaurants Limited,

Place: Mumbai.
Date: May 28, 2014

V.S.Satyamoorthy
Company Secretary

Registered Office: Uniworth House,
3A, Gurusaday Road,
Kolkata-700019.
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66
Fax No: 033-22809282



New Trends New Cuisines

ANNUAL REPORT
2014



SPECIALITY
RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED



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Our Mission



To consistently provide world class cuisine and experience at an affordable price.

To create a dining experience whose uniqueness lies in its elegance and refinement which is brought alive by caring and personalized service in a warm, vibrant environment, and make everybody **feel special**.

Curtain Raiser

Food is not only one of the fundamental requirements for sustaining life. It also stands for nourishment, love, bonding, culture, sensorial pleasure and much more. Four thousand workers and associates at Speciality Restaurants bring this belief to work everyday, creating a special experience for guests and stake holders, with the magic of food.

Speciality Restaurants is a leading player in the fine dining industry with restaurants across India and Bangladesh. Its flagship brand, Mainland China, serves authentic cuisines of Chinese provinces through 52 restaurants in 25 cities in India and 1 restaurant in Dhaka, Bangladesh.

The group's core brands consist of Oh! Calcutta, serving authentic flavours from Calcutta, Sigree Global Grill which brings grilled flavours from all over the world to the live grill at each table and Sweet Bengal, authentic Bengali sweets made with pure cow's milk by artisans from Bengal.

In recent moves, the Group has ventured into casual dining and lounge for the young-at-heart target audience with power brands, Café Mezzuna - All Day Bar and Kitchen and Hoppipola. By offering new age, global flavours and vibrant service, the group is exploring new horizons in today's growth markets.

Other successes of Speciality Restaurants include the brands Haka, Machaan, Kix, Kibbeh, Shack and Flame & Grill.





Chairman's Message

Dear Shareholders,

A little over 20 years ago, your Company was founded with the ambition to carve out a niche for itself among the leading fine dining restaurants of the world. Fine dining is an unique concept. In the words of Charlie Trotter, the famous American master chef, "the true fine dining experience requires that all four elements- the cuisine, the wine, the service and the ambience- were happening in equal measure." Our constant endeavour has been and, shall always be, to achieve this ideal combination at our outlets and, thereby, win the accolade from our discerning guests at whatever location we might be privileged to serve them.

The intrinsic value of your Company's offerings has been further strengthened by anchoring them upon clearly defined, and carefully crafted, brand positions. Our flagship brand, Mainland China, is supported by three core brands- Oh! Calcutta, Sigree-Global Grill and Sweet Bengal. And we have now created two power brands- Café Mezzuna and Hoppipola.

Expanding beyond the borders of India has always been an integral part of your Company's growth plan. As you



are aware, a franchisee-operated outlet was opened several years ago in Dhaka, Bangladesh. We have now announced a joint venture with the Al Mohannadi Group of Qatar to open a Mainland China outlet in Doha, the capital city and also two franchisee outlets, i.e. Mainland China and Sigree at Dar-es-Salaam, Tanzania which are also to be operational soon. We are also carefully evaluating opportunities for further expansion in U.A.E and U.K.

We all know that FY 2013-14 has been a very difficult year for the Indian economy. Growth declined below 5% and the adverse trade balance led to a sharp decline in the exchange rate of our currency. Consumer Price based inflation climbed to 10% and above, and it is still hovering around 8%. Disposable income fell steeply because of high inflation in food prices led by cereals, vegetables, milk and proteins. As a consequence, footfalls in Malls and Standalone Retail Outlets dropped very sharply. It is a matter of satisfaction, therefore, that the turnover of your business grew by nearly 16% to Rs. 2639 million. Despite the cost inflation, we adopted a considered and judicious pricing policy

which moderated the operating margins and there was a small 3.5% decline of our EBIDTA to Rs. 438 million. We continued to execute our plan for judicious expansion of the Company's outreach and, by the end of the year, we had 92 Fine Dining and 14 Confectionery outlets. We believe that the combination of strong and well positioned brands under an organization which is highly motivated and totally service oriented, will enable us to take full advantage of the economic upturn which is likely to happen in the near future.

In conclusion, I wish to thank our devoted team members, our franchisees, and our Executive Team for a year of sterling effort, our business partners and members of the Board for their understanding and valuable advice. We also thank you, our valued shareholders, for your continued support.

Susim Mukul Datta
Chairman



Powered by our brands

In FY 2014,
we crossed the
landmark of
100 restaurants
and confectionaries.



Flagship Brand

MAINLAND CHINA



Mainland China

The kingdom of flavours lying beyond the Great Wall of China is a vast treasure of ingredients, spices and sauces, matched in distinct and numberless ways in different provinces. Mainland China brings the varied harmony of flavours, with authentic ingredients and recipes hand picked by master chefs from China.

Mainland China enjoys the distinction of being critics' and connoisseurs' choice alike. With two decades of a leading presence in fine dining, Mainland China continues to drive growth for Speciality Restaurants.

The confidence and support it has drawn from investors reinforce the flagship brand's commitment to explore new opportunities for expansion. Launching new restaurant formats such as Combos or Multi brands in selective locations offer vistas of growth.

**In FY 2014,
we served more
than 3.3 million
guests at
our restaurants.**



Core Brands

Oh! Calcutta



Oh! Calcutta

With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengalis looking for the flavour of home. Research into recipes and authentic ingredients bring back lost and traditional flavours. Authentic Bengali flavours also find contemporary expression in the form of small bites or the canapé, grilled and steamed specialities and more. Keeping the elegance and creativity of the cuisine at heart, the brand is constantly pushing the envelope for newer experiences of traditional flavours.

Sigree Global Grill

A new concept of dining, Sigree Global Grill is inspired by changing taste-buds. With live grills on each table and interactive cooking, the concept sets off a lively interaction with food, similar to a Japanese Hibachi or Brazilian Churascaria style of dining. After an impressive reception in Powai and Malad in Mumbai,

sigree

GLOBAL GRILL



Sigree Global Grill is set for all India expansion. The all-inclusive price point has been a major attraction.

Sweet Bengal



Sweet Bengal

Sweet Bengal has proved to be the favourite Bengali sweet destination. The sole credit for this goes to our innovative and traditional spread of Bengali sweets and snacks created with pure cow's milk by "Karigars" from West Bengal.

Power Brands



Café Mezzuna

Positioned as All Day Café and Dining, Café Mezzuna is created for the young, well-travelled connoisseur.

The menu comprises of new world continental dishes with Mediterranean, Moroccan, East Asian and Italian flavours. After an exciting start in Pune and Kolkata, expansions are planned in other Tier I cities.

The all-day casual dining format with a lovely outdoor and indoor seating arrangement is expected to yield a higher cover turnover.



Hoppipola

Hoppipola is not only one of the youngest brands of Speciality Restaurants, but it is also created for the young-at-heart. It has already created a storm in Bengaluru and Pune, causing major expansion plans in other cities, starting with Mumbai. Positioned as an All Day Bar with contemporary food such as finger food and bar nibbles, Hoppipola has been created to cater to the growing market.



Other Brands

HAKA



Haka

Positioned as an ideal place for guests on the go, or for a family outing combined with other leisurely activities such as shopping or the cinema, today Haka has two outlets in Kolkata. What made Haka a huge favourite is its range of quick dishes, dim sums and complete meals. The innovative menu is a sure eye catcher for the adventurous youth who want to try more.

MACHAAN



Machaan

Machaan serves five major cities with one company owned and operated restaurant and four franchisees. Indian dishes are cooked traditionally to retain the freshness of every ingredient. With a unique jungle theme, Machaan was created as the perfect getaway from the hustle and bustle of the city. The innovative ambience with jungle motifs makes Machaan a family spot as it draws children and large families.

sigree



Sigree

Sigree offers flavours from North Western India using fresh and pure flavours and ingredients. We try to keep it simple and minimalistic and follow slow cooking as if catering to the true taste of Maharajas. While the ambience features modern Indian décor in bronze and red colours.

Flame & grill



Flame & Grill

The Flame & Grill menu offers a range of kebabs seasoned with our special spices as starters preceding fixed buffets. The ambience at each Flame & Grill is modern and vibrant offering a unique experience with grills on each table.

KIX

Kix: Launched in 2007 as a bar with a dance floor and music, targeted at the young professional segment of the Indian population.



Shack: Launched in 2009 as a bar lounge with a beach theme targeted at the young Indian professional segment.

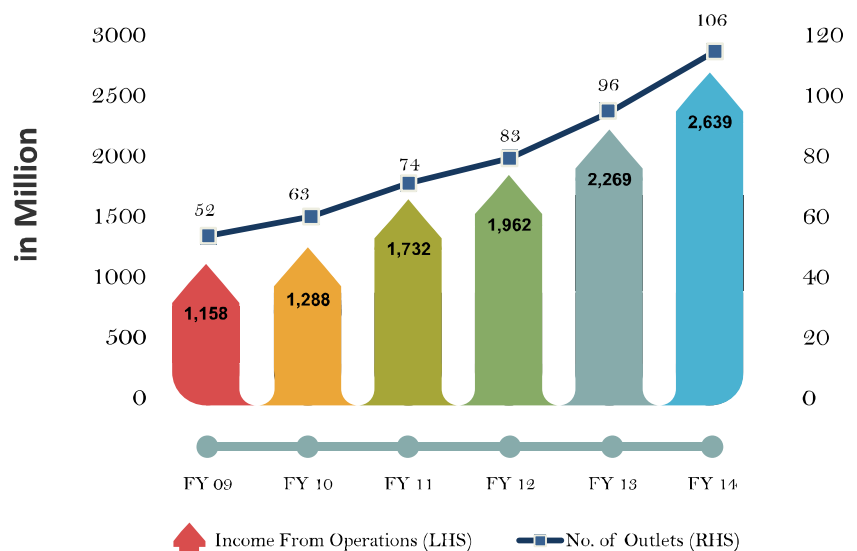
kibbeh

Kibbeh: Launched in May 2010 as a Lebanese bar and lounge targeted at the young Indian professional segment.

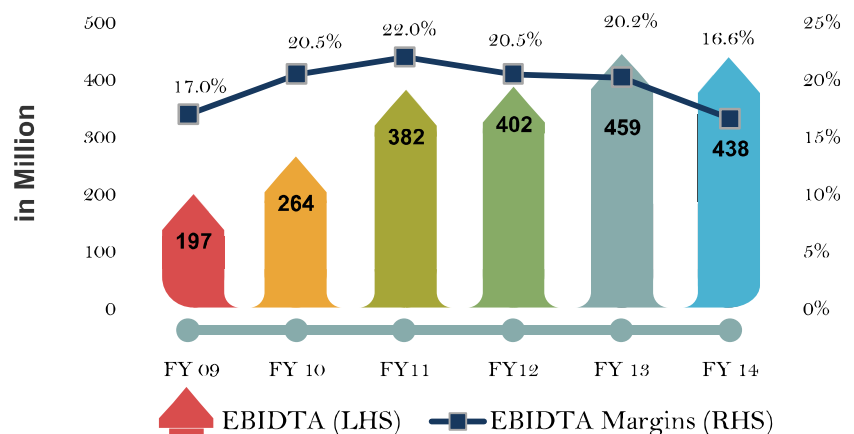


What the numbers say

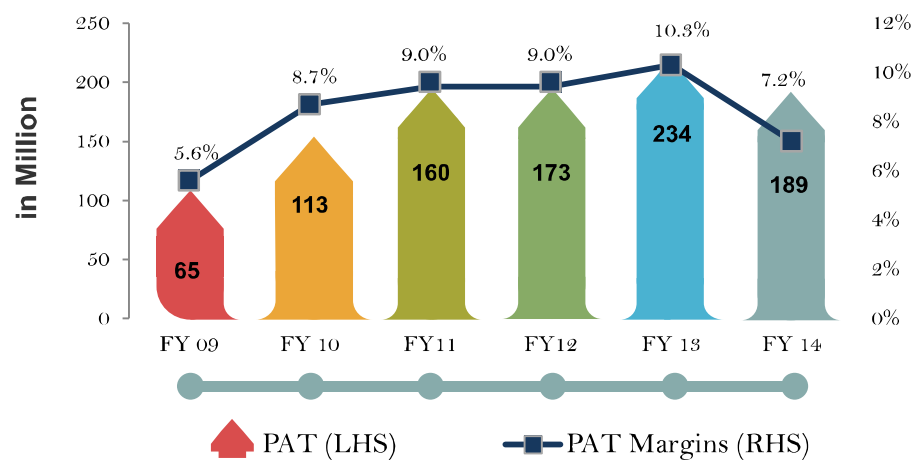
Total Income from Operations and Outlets



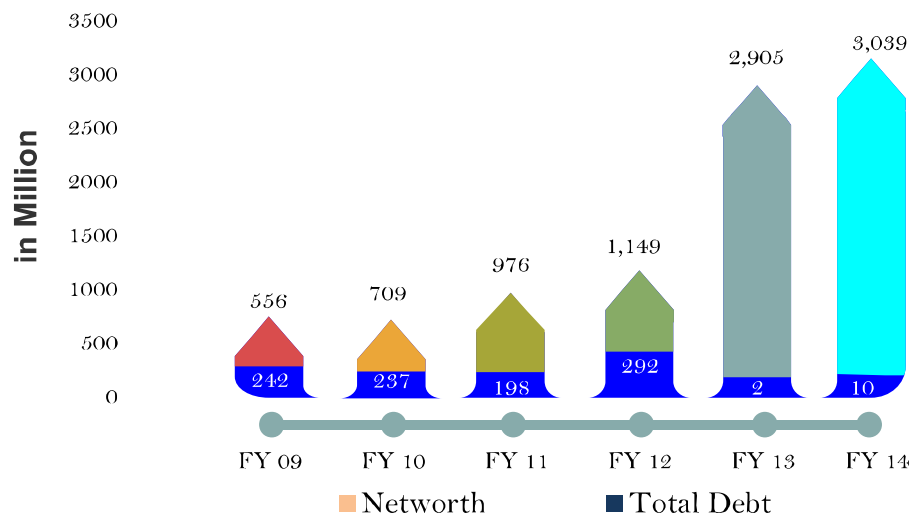
EBIDTA and EBIDTA Margins



PAT and PAT Margins



Network and Total Debt



Beyond the numbers

Management Musings

Suchhanda Chatterjee

“An excellently designed interior of a restaurant provides a soothing and comfortable dining experience to customers. The walls, furniture, utensils, textures and colours, employee dresses, paintings, lightings, and carpets, everything represents the restaurant and signifies the brand identity of the restaurant. Thus visual impact is the first instance where the restaurant communicates with the guest and that sets the mood for the guest to select the cuisine. With the growing number of restaurants across our brands, maintaining consistency is of crucial importance and with our all-round efforts, we have been able to deliver the fine-dining experience to our patrons. Thus, ensuring that our menu gels with the interiors is what defines us and thereby provides us an edge in the industry. However, to be truly known as a National Brand we also ensure that we inject the local factor which makes the guest feel more at home, thereby enhancing our brands' distinctiveness. This eye for detail even in the interiors is what differentiates us amongst peers in the Fine Dining Restaurant Industry.”

Indranil Chatterjee

“At Speciality Restaurants, we encourage each individual to contribute in a meaningful way to our company's continued leadership and success. The journey till now is challenging and exciting, propelling us to strive and put in that extra effort to learn, improve and do something better than yesterday — by reducing costs, creating operational efficiency, upgrade technology, rolling out smart new communication and creatives, or simply putting something in place that didn't exist yesterday. We are humbled at what we have achieved till now but understand the huge responsibility that lies on our shoulders and look forward to better performance and progress in the years ahead.”



Indraneil Palit

“ We are capitalizing on the strengths of our brands and looking at fresh new ways to evolve the guest experience, expand our appeal, and win the hearts and minds of core and prospective guests. To accomplish this, we are testing new culinary offerings, continuing to collaborate with franchisees and partners and innovating our brands at every touch point, with new restaurant formats, compelling marketing and advertising, menu refreshes at key times of the year, a new technology platform on the table, and more. ”

Rajesh Mohta

“ Managing Finances, Sustaining Growth and Creating Value has been the driving force at Speciality Restaurants. From a financial management perspective, our growth strategy encompasses maximizing our cash flow, while maintaining a disciplined approach to overall operational expenses and capital spending. Doing so will allow us to retain our financial flexibility and reward our shareholders over the longer term. With this objective, we will drive value for our franchisees, partners, associates and shareholders by leveraging our brands and sweating our assets, our people and our financial capital. We continue to thoroughly evaluate our options and manage our cash flow, such that we can position the company correctly to grow sustainably and opportunistically across locations at the right times in the right places and also by filling up the gaps by inorganically expanding our portfolio of brands. ”



Board of Directors

Susim Mukul Datta **Chairman**

Mr. Susim Mukul Datta holds a Post Graduate in Science and Technology, Chartered Engineer and Fellow of The Institute of Engineers (India), Fellow of The Indian Institute of Chemical Engineers and honorary fellow of All India Management Association. His vast experience of over fifty years in various industries has seen him as chairman of various companies including Castrol India Limited, Phillips Electronics India Limited and IL&FS Investment Managers Limited, as former president of Bombay Chamber of Commerce & Industry, ex-chairman of Indian Institute of Management, Bengaluru and as former chairman of Hindustan Lever Limited. He is a Member of Court of Governors of Administrative Staff College of India, Hyderabad and Indian Institute of Management, Kolkata.

Anjan Chatterjee **Managing Director**

With a Bachelor's Degree in Science, Mr. Anjan Chatterjee is the Promoter-Director of the Company.

He has topped it with a diploma in hotel management, catering technology and applied nutrition and his experience spans over 30 years in the advertising and hospitality industry. With a hands-on management style, he is responsible for spearheading the company's expansion strategy.

Suchhanda Chatterjee **Director**

Mrs. Suchhanda Chatterjee is also the Promoter Director of the company and holds a Bachelor's Degree in Arts with over 20 years of experience in the hospitality industry. She can be accredited with bringing uniformity in quality of food and services for different restaurants under the same brand within Speciality Restaurants, which is the trend internationally.

Indranil Ananda Chatterjee **Director**

Mr. Indranil Chatterjee holds a Bachelor's Degree in Commerce and a post graduate diploma in business



management with close to 30 years of experience in finance and marketing. He brings to the table his well rounded management skills and strategic inputs for the company's growth and expansion plans.

Tara Sankar Bhattacharya **Independent Director**

Mr. Tara Sankar Bhattacharya's experience in banking and finance goes back to more than 40 years. He holds a Masters Degree in Physics from Jadavpur University, a Diploma in Management Studies and is an Associate of Saha Institute of Nuclear Physics. He is also a former Managing Director of State Bank of India.

Jyotin Mehta **Independent Director**

Mr. Jyotin Mehta has over 30 years of experience in finance, secretarial, legal, quality management and general management. He holds a Bachelor's Degree in Commerce, is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of

Company Secretaries of India and the Institute of Cost and Works Accountants of India.

Dushyant Rajnikant Mehta **Independent Director**

Mr. Dushyant Mehta has spent over 30 years in leading advertising and marketing campaigns for major brands and holds a Masters Degree in Business Administration. He is an Independent Director of the Company.

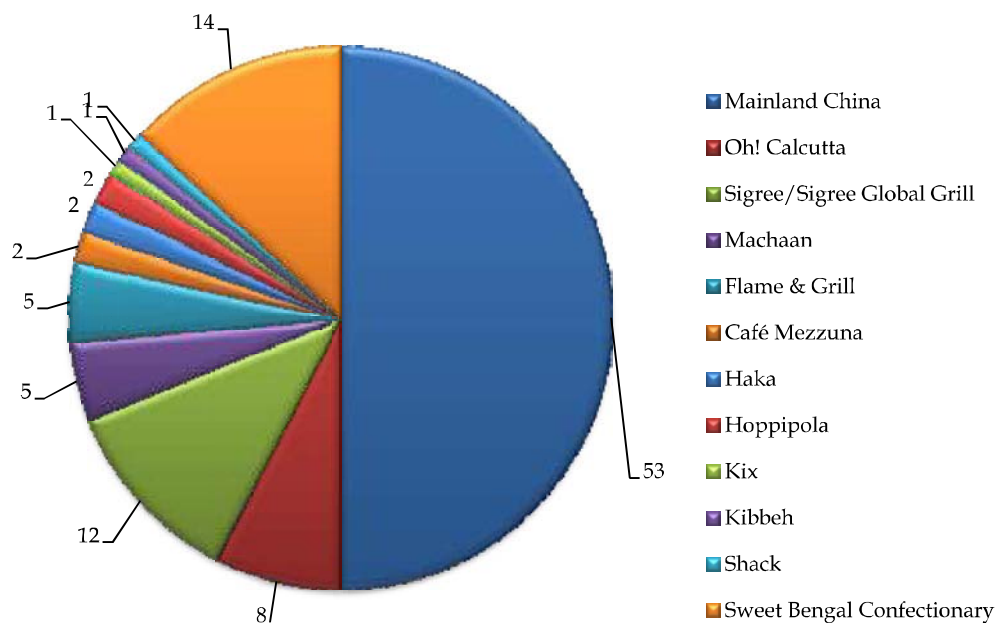
Vishal Satinder Sood **Non-Independent Director**

Mr. Vishal Sood has over 15 years of experience in software, investment banking and private equity. He holds a Bachelor's Degree in Computer Science and Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.



Brand presence

Brands & Number of Outlets as on March 31, 2014



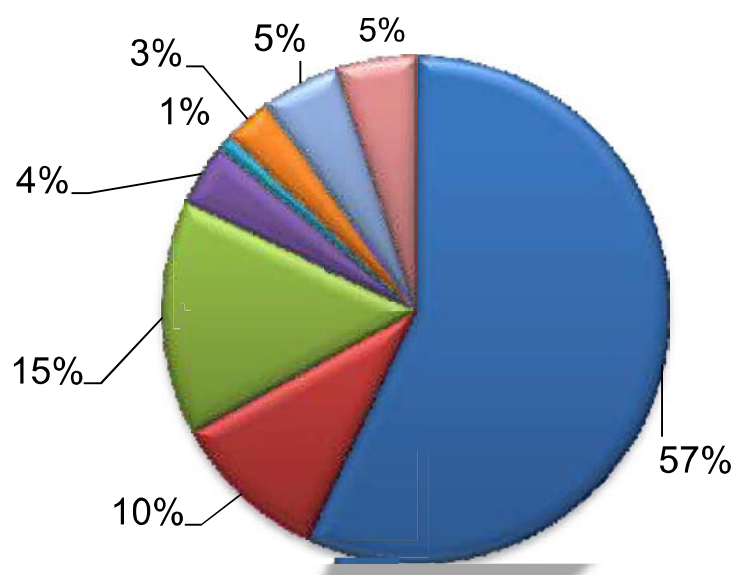
Brand

Mainland China
Oh! Calcutta
Sigree/Sigree Global Grill
Haka
Machaan
Flame & Grill
Kix
Kibbeh
Shack
Café Mezzuna
Hopipola
Sweet Bengal confectionary

Key Cities

25 cities in India and one in Dhaka, Bangladesh
Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad
Pune, Chennai, Kolkata, Mumbai, Hyderabad and Bengaluru
Kolkata
Kolkata, Guwahati, Nashik, Surat and Howrah
Nashik, Aurangabad and Kolkata
Kolkata
Hyderabad
Kolkata
Pune and Kolkata
Bengaluru and Pune
Mumbai

Brand wise revenue contribution (%)



- Mainland China
- Oh! Calcutta
- Sigree / Sigree Global Grill
- Flame & Grill
- Machaan
- Haka
- Sweet Bengal
- Others

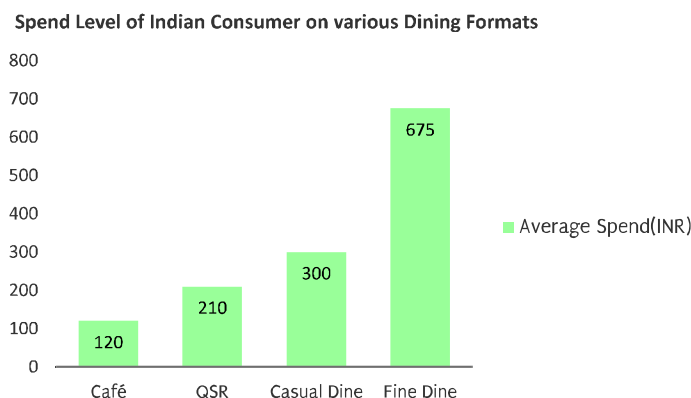
Crossed 50
Mainland China
restaurants
in the country.



Market potential

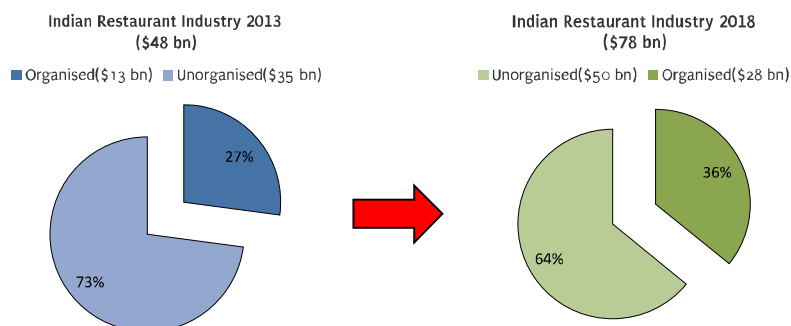
Spending Patterns Of Indians

More than 50% of consumers aged between 18 - 45 years eat out once a week.
65% of the Indian population is less than 35 years old.



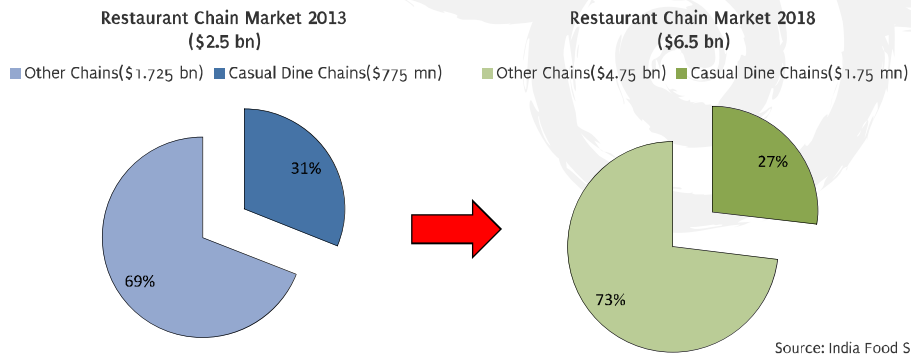
Food & Beverage Market In India

The Indian Food Services industry is expected to grow at a CAGR of 11% while the organized segment is expected to grow at a CAGR of 16%.



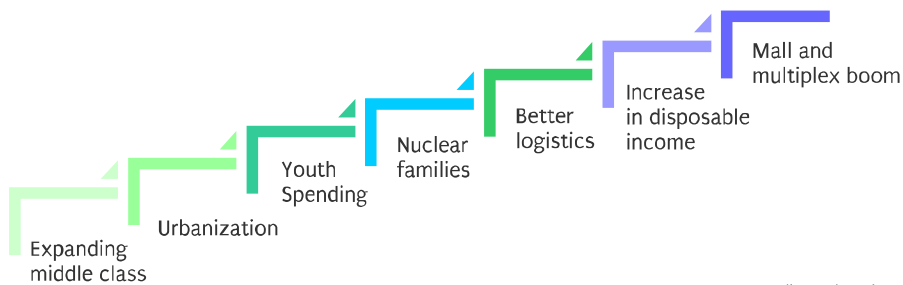
Casual Dining In India

The market of Restaurant Chains is expected to grow at a CAGR of 21% with Casual dining at a CAGR of 18%.



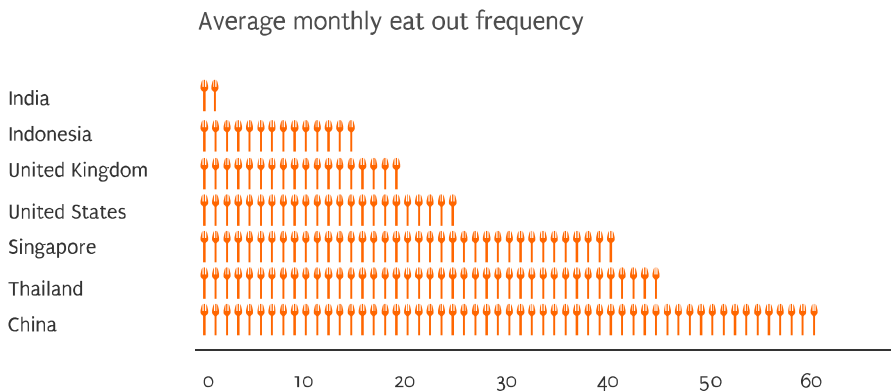
Growth Driver

A younger, richer India is fueling rapid growth in the 'eat out' segment.



Understanding The Indian Consumer

Indians on an average eat out lesser than 2 times a month, compared to 40 times in Singapore.



Even a small increase in this number will provide an opportunity for restaurants in India.





Managing Director's Perspectives

Anjan Chatterjee (Managing Director) has a very hands-on style of management and his 360° views and perspectives shape the plans of the Company. He believes that Speciality Restaurants which has focused on expanding its flagship brand and sustaining and building its Core and Power brands is now at an inflexion point from where it will embark on yet another journey of growth.

Hereunder are key excerpts from his perspectives on the Company's initiatives and its future.

Thought process behind the Launch of Mainland China Asia Kitchen.

“ As more and more Indians are travelling to the South East Asian countries, they are exposed to a number of cuisines and flavours, some of which have become extremely popular. We have been tracking these changing trends over a period of time through some dipsticks and have found that our guests wouldn't mind having a variety to choose from like Khow Suey (Burmese) or a Green Curry (Thai) or may be a Nasi Goreng (Malaysian). We also came to the realization that our guests would like to see these dishes in





Mainland China. This gave us the confidence to create our new brand- Mainland China Asia Kitchen. It gave us the scope to extend the equity of Mainland China and refresh it with a new offering in a little casual format, but with a young appeal.

We differentiated the menu by offering about 60% – 65% of Chinese delicacies and the balance from some of the best Pan Asian dishes. We are very encouraged with the response received from the only outlet which has opened at Oberoi Mall in Mumbai and plan to open more such outlets in some of the largest malls in the country like the Palladium in Mumbai. The strategy behind launching this format in malls with high footfalls was to capitalize on the opportunity between lunch and dinner (3 - 7 pm) hours when fine dining outlets like Mainland China remains shut. Due to this we stand to gain in terms of operational leverage, increasing our footfalls and in turn the cover turnaround. Resultantly, it would open up other revenue streams for Speciality Restaurants, thereby adding to our bottomline.

Improving Macroeconomic Environment and Price Hikes.

“ With a presence of over two decades in the Indian Food and Service Industry we pride ourselves on being a long term macro view player rather than one that focuses on the near term micro picture. While there are increased expectations of an uptick in the overall economic environment, it will be too early to comment when that can happen as we are still facing challenges regarding food prices. However, expectations of an improved economic outlook are increasingly being factored, as reflected by the International Rating Agency Fitch's upward revision of India's GDP growth forecast to 5.5% for FY2014-15. According to Fitch for FY2015-16 the economy is expected to grow by 6.5% from the earlier forecast of 6%. As a result, we are hopeful that discretionary spends too will witness a pick up and this would augur well for our restaurants across the Value Chain.

As regards price hikes, I would like to stress that we as a Company sought to raise prices only twice between FY2012-13 and FY2013-14. These were the most challenging years for our Company and are proud that we have been able to manage it well as we ensured our footfalls were not impacted even as we hiked prices.



We remain firm in our philosophy that price hike decisions will primarily be driven by our overall strategy for the long term that we have embarked upon.

To counter the challenge of not being able to pass on the impact of inflation through price hikes to the customers and guard against a drop in footfalls, we thought of alternate methods with the introduction of Regular and Large Portions on

the menu at Pan India level. This added a lot of value helping guests to pay for what they could consume and also opportunity to try out a variety of dishes without having leftovers. This has further demonstrated our commitment to keep up to our promise of delivering a fine dining experience to our customers, while driving growth for our Company.

We have also instituted some back-end operational measures by setting up our own commissary and a training center at Kolkata and planning commissaries at each city where there are multiple brands and outlets. These measures which we have initiated will help us in terms of operating leverage and rationalization of costs.

Thus, we have always adopted an all-round approach which is focused not only on improving our front end operation but also on enhancing productivity in terms of back end.

Global Footprint and the Joint Venture with Al Mohannadi Group of Qatar.

“We see growth potential for our brands in the international as well as domestic markets, and are investing in the necessary resources to capitalize in this area. Our research shows that opportunities are immense in the global fine dining market as family dining has not yet fully evolved. With leading brands across cuisines — a distinct point of differentiation for

our franchises, associates and guests, we are uniquely positioned to take advantage of this opportunity.

It was this opportunity gap that we identified and capitalized upon by forming a Joint Venture (JV) with Al Mohannadi Group in Doha, Qatar. As part of this JV, Speciality Restaurants and Al Mohannadi Group would have a stake of 49% :51% respectively in the share capital of the JV Company “Mainland China Restaurant” a Limited Liability Company.

With this JV we are confident that we will be able to serve the widespread Indian diaspora in the West Asian countries. This is expected to enhance and strengthen not only our brand equity but also our financial performance, as internationally, fine dining spends per cover are much higher than that in India.

Our commitment to deliver excellence in the food we deliver and the ambience we create for the perfect occasion has led Mainland China our flagship brand to be the most sought after brand amongst the Indian diaspora world over. As a means to this end, we propose to expand our geographical presence across our core brands by opening restaurants or associating with franchise partners in geographies such as Tanzania, London, Dubai and Bahrain to name a few.

Having been recognized as a leading player in the Fine Dining category offering authentic Chinese cuisine, Indian cuisine, Continental and now even Asian cuisine, Speciality Restaurants now stands at the cusp of multiple opportunities.”

Progress in the Quick Service Restaurants (QSR) segment.

“ The Quick Service Restaurant (QSR) segment in the F&B industry is undoubtedly one of the fastest growing industries not only world over but even in India. This segment, which stood at Rs. 55,000 million in 2013 is



expected to grow at a CAGR of 25% to Rs. 1,67,850 million by 2018. The QSR format has been a success primarily in the metros and semi urban areas due to changing life style, rise in nuclear families and increasing number of working women. This has naturally widened the scope for growth and has resulted in increased competition from existing and new International and Domestic players who are constantly eyeing to garner a lion's share of this fastest growing segment.

We at Speciality Restaurants too have made some headway to have a door to door delivery model in place, working towards ironing out back end issues. However, we are taking all steps with extreme caution so that we are fully ready before a national roll-out as 'home deliveries' is the key for QSR segment and have high potential for growth.

Mitigating the Impact of Currency Fluctuation

"As our flagship brand Mainland China constitutes majority of the revenues the import component of Chinese ingredients are high and hence fluctuations of the currency impacts us to that extent. However, our team has innovated by introducing home grown ingredients that have replaced the imported components. We have been successful with the introduction of these home grown ingredients without compromising on quality and taste of the food served.

This has resulted in saving on import costs for our Company thereby reducing the impact of volatility in foreign currency and also bringing in cost efficiency, besides ensuring we deliver on our promise of offering Five Star food at non-Five Star prices.

Outlook for FY 2014-15.

"Economists of the world have predicted that these conditions are expected to slowly improve over the next couple of years and with competition likely to intensify on account of growing demand, we will certainly not be standing still. The challenging time has made us stronger to implement more processes and controls which will help us in the long run. We are building from a position of strength by actively working to enhance our position as one of the most recognized brands amongst the Indian global gourmets.

Being positioned as a marathon runner rather than a sprinter, we believe that our decisions and actions are driven by our commitment to grow sustainably and to deliver on the promise of enhancing our guests experience and serving more and more customers, thus leveraging our brand equity. Towards this end, we would continue to remain committed to growing organically as well as inorganically, expanding and adding a refreshed look to our flagship brands, core brands as well as our power brands and work towards increasing same store sales. We will also continue to





differentiate our brands by offering new formats and menu offerings that can entice the palate of our guests and patrons alike.

As we reflect on our accomplishments over the last couple of years, it bears repetition that these achievements were set in motion years ago with our clearly defined plan to grow. We believe that with the underlying positivity now emerging in the economy, we are close to the inflexion point where the Revenue Curve intersects and overtakes the hitherto prevalent Cost Curve.

Speciality Restaurants has an excellent foundation and a strong business model. We believe, attractive growth opportunities lie ahead of us as the underlying positivity in the economy pans out."

Roll Out Plan for FY 2014-15.

"We are glad to state that despite tough economic conditions we have been on track with the expansion plan that was envisaged during our Initial Public Offer in FY2012-13. As on March 31, 2014 we had 68 Company Owned Company Operated (COCO) restaurants and the balance 24 restaurants were owned by our Franchisees but operated by us (FOCO). For FY2014 -15, we

envisage setting up 12 - 15 new restaurants, of which the majority will be that of our flagship brand Mainland China, as it will continue to be our primary growth driver. We would also opportunistically look to expand our new format - Mainland China Asia Kitchen, which will enable the Company to improve the cover turn around and the average ticket size.

During the last year we did much to sweat our assets, giving birth to Café Mezzuna and Hoppipola. Café Mezzuna has already won accolades (Times Good Food Award) for being the **Best All Day Dining Café in Pune** and for offering the **Best Thin Crust Pizza**. Hoppipola too is witnessing strong traction from the youth and it has bolstered our confidence to roll out another 5-6 such outlets across our locations.

Let me assure you that we are in this business for the long haul and we shall strive to grow sustainably and identify opportunities both organic as well as inorganic that add value to our overall business and thereby enhance value for our associates, franchisee partners, vendors, shareholders and our guests."

COMPANY INFORMATION

BOARD OF DIRECTORS

Susim Mukul Datta	Chairman
Anjan Chatterjee	Managing Director
Suchhanda Chatterjee	Whole-Time Director (Director-Interior & Design)
Indranil Chatterjee	Whole-Time Director (Director- Commercial Operations)
Dushyant Mehta	Non-Executive Director
Jyotin Mehta	Non-Executive Director
Tara Sankar Bhattacharya	Non-Executive Director
Vishal Sood	Non-Executive Director

BOARD COMMITTEES:

AUDIT COMMITTEE:

Tara Sankar Bhattacharya (Chairman)
Anjan Chatterjee
Jyotin Mehta
Dushyant Mehta

SHAREHOLDER/INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE (STAKEHOLDERS RELATIONSHIP COMMITTEE):

Susim Mukul Datta (Chairman)
Anjan Chatterjee
Indranil Chatterjee

BOARD GOVERNANCE AND REMUNERATION COMMITTEE (NOMINATION AND REMUNERATION COMMITTEE):

Dushyant Mehta (Chairman)
Jyotin Mehta
Susim Mukul Datta

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Jyotin Mehta (Chairman)
Dushyant Mehta
Suchhanda Chatterjee

MANAGEMENT TEAM

Anjan Chatterjee	Managing Director
Suchhanda Chatterjee	Whole-Time Director (Director-Interior & Design)
Indranil Chatterjee	Whole-Time Director (Director-Commercial Operations)
Indraneil Palit	Executive Director-Project, Business Development & Strategic Planning
Phiroz Sadri	Chief Operating Officer
Rajesh Dubey	Chief Culinary Officer
Rajesh Kumar Mohta	Executive Director- Finance & CFO

COMPANY SECRETARY

V.S.Satyamoorthy

AUDITORS

Deloitte Haskins & Sells LLP.
Chartered Accountants,
India Bulls Financial Centre,
Tower 3, 32nd Floor,
Senapati Bapat Marg,
Elphinstone (West), Mumbai-400013.

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai-400078.
Tel. No. (91 22) 25946970-78
Fax No. (91 22) 25946969.
E-Mail: investor@linkintime.co.in

BANKERS

State Bank of India
Kotak Mahindra Bank Limited
HDFC Bank Limited
ICICI Bank Limited

REGISTERED OFFICE

Uniworth House,
3A, Gurusaday Road
Kolkata 700 019.
Tel: (91 33) 22837964/65/66
Fax No: (91 33) 22809282
E Mail: corporate@speciality.co.in
CIN: L55101WB1999PLC09067

Corporate Office

Morya Landmark I, 4th Floor,
B-25, Veera Industrial Estate,
Off. New Link Road,
Andheri (West), Mumbai-400053.
Tel: (91 22) 3341 6700
Fax: (91 22) 3341 6878
Website: www.speciality.co.in

**15TH ANNUAL GENERAL MEETING AT
Science City, Mini Auditorium,
JBS Haldane Avenue, Kolkata- 700 046
On Monday, September 15, 2014 at 11.00 a.m.**



NOTICE

Notice is hereby given that the 15th Annual General Meeting (AGM) of the Members of **SPECIALITY RESTAURANTS LIMITED** will be held on Monday, September 15, 2014 at 11.00 a.m. at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata-700046 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended March 31, 2014 and the Audited Balance Sheet as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2014.
3. To re-appoint Mr. Vishal Sood (DIN: 01780814) who is liable to retire by rotation and being eligible as a non-executive director, has offered himself for re-appointment.
4. To re-appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration Number: 117366 W/W-100018), be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the AGM to be held in the year 2019 (subject to such appointment being ratified by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee of the Board of Directors in consultation with the auditors."

SPECIAL BUSINESS:

5. **Appointment of Mr. Susim Mukul Datta as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Susim Mukul Datta (DIN: 00032812), one of the Directors of the Company who is liable to retire by rotation at the AGM and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention of Mr. Susim Mukul Datta to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation."

6. **Appointment of Mr. Jyotin Mehta as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Jyotin Mehta (DIN: 00033518), one of the Directors of the Company who is liable to retire by rotation at the AGM and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention of Mr. Jyotin Mehta, to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation."

7. **Appointment of Mr. Tara Sankar Bhattacharya as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force) Mr. Tara Sankar Bhattacharya (DIN: 00157305), one of the Directors of the Company who is liable to retire by rotation and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention of Mr. Tara Sankar Bhattacharya to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation."

8. **Appointment of Mr. Dushyant Mehta as an Independent Director of the Company.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification (s) or re-enactment thereof for the time being in force), Mr. Dushyant Mehta



(DIN: 00126977), one of the Directors of the Company who is liable to retire by rotation and pursuant to a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying her intention of Mr. Dushyant Mehta to be nominated as a candidate for the office of Director of the Company, be and is hereby appointed as a Director who is an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, not liable to retire by rotation."

9. Amendment to the Articles of Association.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and is hereby amended as under:

(a) The existing Article 108 is deleted and substituted by the following new Article 108.

108. One-third of Directors to retire every year:

At the Annual General Meeting of the Company to be held in every year, one third of such of the directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided that the Managing Director appointed or the Director/s appointed as a Debenture Director/s and Special Directors under Articles hereto or the Independent Directors appointed pursuant to the provisions of the Companies Act, 2013 shall not be liable to retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

(b) The existing Clause (e) Article 138 is deleted and substituted by the following new Article 138(e).

138 (e) The Managing Director shall not be liable to retire by rotation as long as he holds office as Managing Director."

**By Order of the Board,
For Speciality Restaurants Limited,**

**V.S. Satyamoorthy
Company Secretary**

Place: Mumbai.
Date: May 28, 2014

Registered Office: Uniworth House,
3A, Gurusaday Road,
Kolkata-700019.
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66
Fax No: 033-22809282

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business set out in the Notice to be transacted at the AGM is annexed hereto and forms part of the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM, FOR THIS AGM IS ENCLOSED.**
4. **Corporate members intending to send their authorised representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.**
5. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
6. Members/proxies should bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.
7. Relevant documents referred to in this Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.
8. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, September 8, 2014, to Monday, September 15, 2014 (both days inclusive) in order to determine the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The dividend on Equity Shares, if declared at the Meeting will be credited/ despatched on or after September 19, 2014 to those members whose names shall appear on the Company's Register of Members on September 5, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished



by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on such date.

10. Members holding shares in dematerialized form are requested to intimate immediately any change in their address or bank mandate to their respective Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar.
11. Members are requested to address all correspondence including dividend matters, to the Registrar and Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. V.S. Satyamoorthy, Company Secretary, at the Company's Corporate Office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956) be transferred to Investor Education and Protection Fund.
13. Copies of the Annual Report for the financial year 2013-2014 are being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for financial year 2013-2014 are being sent by the permitted modes of service of documents.
14. The Notice of the 15th AGM of the Company *inter alia* indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent by electronic mode to all members whose e-mail addresses are registered with the Company/ Depository Participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted modes of service of documents.
15. Members may also note that the Notice for the 15th AGM and the Annual Report for the financial year 2013-2014 will also be available on the Company's website www.speciality.co.in. The physical copies of the aforesaid documents will also be available at the Company's registered office in Kolkata for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investors@speciality.co.in.
16. Voting through Electronic means
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members with the facility to exercise their right to vote at the 15th AGM by electronic means.
 - II. The Company has appointed Central Depository Services (India) Limited (hereinafter called as "CDSL") ("**Service Provider**") for facilitating e-voting to enable the members of the Company to cast their votes electronically pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

In this regard, please note the following process and the manner for voting for members opting for e-voting as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user, please follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details.	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on the "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will reach 'Password Creation' menu wherein they will be required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Speciality Restaurants Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

- III. The e-voting period begins on Tuesday, September 9, 2014 (9.00 a.m.) and ends on Thursday, September 11, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, September 5, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication (s).
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 5, 2014.
18. A member desirous of exercising his vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutiniser in the enclosed self-addressed pre-paid postage business reply envelope. Postal charges will be borne and payable by the Company. However, if the member decides to courier or send by registered post or delivers his/her Postal Ballot Form in person, expenses will be borne by such member.
19. Members can choose only one of the two options, namely e-voting or voting through physical assent/ dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and



those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.

20. The Postal Ballot Form, duly completed and signed by the member should be returned in the self-addressed pre-paid postage business reply envelope directly to the Scrutinizer before September 11, 2014. Any Postal Ballot Form received after such date shall be treated as if the reply from the member has not been received.
21. M/s. Tarun Chatterjee of M/s. T. Chatterjee and Associates, Practising Company Secretaries has been appointed as the Scrutinizer, to scrutinise the e-voting process in a fair and transparent manner.
22. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses who are not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
23. The results of the e-voting shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM subject to the receipt of requisite number of votes in favour of the resolution. The results of e-voting, physical assent / dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.speciality.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
24. Profile of Directors seeking appointment/re-appointment at the 15th AGM as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange (s) is annexed to this Notice.
25. The Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item No. 5: Appointment of Mr. Susim Mukul Datta as an Independent Director.

Mr. Susim Mukul Datta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Susim Mukul Datta being eligible and offering himself for appointment as an Independent Director of the Company. It is proposed that Mr. Susim Mukul Datta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Susim Mukul Datta for the office of Director of the Company.

Further, Mr. Susim Mukul Datta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and the rules made thereunder and have given his consent to act as Director. The Company has also received a declaration from Mr. Susim Mukul Datta, to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Susim Mukul Datta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Susim Mukul Datta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Susim Mukul Datta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Susim Mukul Datta as an Independent Director.

No Director/ Key Managerial Personnel / their relatives, except Mr. Susim Mukul Datta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 5 for the approval of the members.

Item No. 6: Appointment of Mr. Jyotin Mehta as an Independent Director.

Mr. Jyotin Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder,



Mr. Jyotin Mehta being eligible and offering himself for appointment as an Independent Director of the Company. It is proposed that Mr. Jyotin Mehta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder, proposing the candidature of Mr. Jyotin Mehta for the office of a Director of the Company. Mr. Jyotin Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration from Mr. Jyotin Mehta to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Jyotin Mehta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Jyotin Mehta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Jyotin Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jyotin Mehta as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Jyotin Mehta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 6 for the approval of the members.

Item No. 7: Appointment of Mr. Tara Sankar Bhattacharya as an Independent Director.

Mr. Tara Sankar Bhattacharya is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2011.

He is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Tara Sankar Bhattacharya, being eligible and offering himself for appointment as an Independent Director. It is proposed that Mr. Tara Sankar Bhattacharya be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Tara Sankar Bhattacharya for the office of Director of the Company. Mr. Tara Sankar Bhattacharya is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director. The Company has also received a declaration from Mr. Tara Sankar Bhattacharya to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Tara Sankar Bhattacharya as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Tara Sankar Bhattacharya, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Tara Sankar Bhattacharya as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Tara Sankar Bhattacharya as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Tara Sankar Bhattacharya to the extent of his appointment as an Independent Director, is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 7 for the approval of the members.

Item No. 8: Appointment of Mr. Dushyant Mehta as an Independent Director.

Mr. Dushyant Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 2009.

He is liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Dushyant Mehta,



being eligible and offering himself for appointment as an Independent Director. It is proposed that Mr. Dushyant Mehta be appointed as an Independent Director for a term of five years with effect from April 1, 2014 upto March 31, 2019.

The Company has received a notice in writing from a member along with the required deposit under Section 160 of the Companies Act, 2013 and the rules made thereunder proposing the candidature of Mr. Dushyant Mehta for the office of Director of the Company. Mr. Dushyant Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and the rules made thereunder and have given his consent to act as Director. The Company has also received a declaration from Mr. Dushyant Mehta to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Dushyant Mehta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Dushyant Mehta, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder and he is independent of the Management. A copy of the draft letter of appointment of Mr. Dushyant Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Dushyant Mehta as an Independent Director.

No Director/Key Managerial Personnel/ or their relatives, except Mr. Dushyant Mehta, to the extent of his appointment as an Independent Director of the Company is interested or concerned with his appointment as an Independent Director of the Company.

The Board recommends the resolution set out in Item No. 8 for the approval of the members.

Item No. 9. Amendment of Articles of Association.

In terms of Article 108 of the Articles of Association, the Managing Director or Whole-time Directors appointed shall not retire by rotation under that Article and they shall not be included in calculating the total number of Directors of whom one third shall retire from office under that Article.

Further, in terms of Article 138 (e) of the Articles of Association the Managing Director and/or the Whole-time Director shall not be liable to retirement by rotation as long as office is held as Managing Director or Whole-time Director.

In accordance with the provisions of section 152 (6) of the Companies Act, 2013, in order to arrive at the number of directors liable to retire by rotation, the independent directors are to be excluded.

In order to give effect to the above provisions of the Companies Act, 2013, it is necessary to amend the Articles of Association for incorporation of necessary changes therein.

The resolution seeks the approval of the members for the amendment to the Articles of Association pursuant to Section 14(1) and other applicable provisions of the Companies Act, 1956 and the Rules made thereunder.

No Director/ Key Managerial Personnel/ their relatives is interested or concerned in the resolution except to the extent of the tenure of appointment of the Managing Director, Whole-time director and independent directors.

The Board recommends the resolution set out in Item No. 9 for the approval of the members.

**By Order of the Board,
For Speciality Restaurants Limited,**

**V.S.Satyamoorthy
Company Secretary**

Place: Mumbai.
Date: May 28, 2014

Registered Office: Uniworth House,
3A, Gurusaday Road,
Kolkata-700019.
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66
Fax No: 033-22809282



Details of the Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Susim Mukul Datta	Mr. Jyotin Mehta	Mr. Dushyant Mehta	Mr. Tara Shankar Bhattacharya	Mr. Vishal Sood
Date of Birth	July 1, 1936	February 16, 1958	October 2, 1955	January 24, 1948	February 23, 1972
Date of Appointment	9-2-2011	9-2-2011	18-8-2009	9-2-2011	1-8-2012
Qualifications	Post Graduate Degree in Science and Technology. Chartered Engineer. Fellow of The Institute of Engineers (India), Fellow of The Indian Institute of Chemical Engineers and Honorary Fellow of All India Management Association.	B.Com. FCA. FCS, FCMA.	Master's Degree in Business Administration	Master's Degree in Physics and a Diploma in Management Studies. Associate of Saha Institute of Nuclear Physics.	Bachelor's Degree in Computer Science, M.B.A.
Expertise in specific functional areas	Over 50 years of experience in various industries including manufacturing, marketing, banking, finance, automobiles healthcare and hotel.	Over 30 years of experience in Finance, Secretarial, Legal, Quality Management and General Management.	Over 30 years of experience in Sales, Advertising and Marketing.	Over 40 years of experience in banking and finance. Former Managing Director of State Bank of India	Over 15 years of experience in software, investment, banking and private equity.
Directorship in other Companies. *	<ol style="list-style-type: none"> 1. Atul Limited 2. Boruka Power Corporation Limited. 3. Castrol India Limited. 4. Door Sabha Nigam Limited. 5. IL& FS Investment Managers Limited. 6. Peerless Financial Products Distribution Ltd. 7. Peerless General Finance and Investment Company Limited. 8. Peerless Hotels Limited. 9. Philips India Limited. 10. Rabo India Finance Limited. 11. Transport Corporation of India Limited. 12. Zodiac Clothing Company Limited. 	<ol style="list-style-type: none"> 1. Linde India Limited (formerly known as BOC India Limited). 	<ol style="list-style-type: none"> 1. Repro India Limited 	<ol style="list-style-type: none"> 1. Ess Dee Aluminium Limited 2. IDFC AMC Trustee Company Limited. 3. IDFC Securities Limited 4. Ind Swift Laboratories Limited. 5. Jindal Stainless Limited. 6. Nandan Denim Limited 7. Surya Roshini Limited. 	Pennar Industries Limited



Membership of Committees in other Public Limited Companies (includes only Audit & Investors' Grievance Committee)	1. Bhoruka Power Corporation Limited-Audit Committee-Chairman. 2. Castrol India Limited-Shareholders/Investors Grievances Committee-Chairman. Audit Committee-Member. 3. IL & FS Investment Managers Limited-Shareholders/Investors Grievance Committee-Member. Audit Committee Member 4. Peerless Gen. Fin & Inv.Co.Ltd-Audit Committee-Member. 5. Rabo India Finance Limited- Audit Committee-Member. 6. Transport Corporation of India Limited-Audit Committee-Member.	1. Linde India Limited-Audit Committee-Chairman. Shareholders/Investors Grievance Committee-Member.	None	1. Jindal Stainless Limited-Audit Committee-Member 2. IDFC Securities Limited-Audit Committee-Member	
No. of Shares held in the Company	Nil	Nil	1280		

Note:

- Pursuant to Clause 49 of the Listing Agreement, only two committees viz. Audit Committee and Shareholders/Investors Grievance Committee have been considered.

* Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies.



Directors' Report

To,

The Members

Speciality Restaurants Limited.

Your Directors are pleased to present the Fifteenth Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2014.

1. Financial Results:

(Rs. in Millions)

Particulars	March 31, 2014	March 31, 2013
Revenue from operations	2638.5	2269.2
Other Income	98.4	91.2
Total Income	2736.9	2360.4
Earnings before Interest, Depreciation, Amortization and Tax	438.0	459.1
Less:		
Finance Costs	0.7	5.0
Depreciation /Amortization	190.3	149.3
Net Profit for the year before Taxes	247.0	304.8
Less: Provision for Taxes		
Current Tax	81.0	90.6
Deferred Tax	(22.9)	(19.9)
Profit after tax	188.9	234.1
Add: Balance Brought Forward from Previous Year	807.4	628.3
Available for Appropriations	996.3	862.4
Less: Appropriations:-		
Proposed Dividend on Equity Shares (Re. 1 per share of Rs. 10 each)	47.0	47.0
Corporate Dividend Tax	8.0	8.0
Balance Profit	941.4	807.4

2. Financial Performance:

The Indian economy, Asia's third largest has displayed declining growth rate over the last couple of years. During the year ended March 31, 2014 GDP growth remained muted at sub 5% levels. The year also saw sharp currency depreciation while industrial activity remained in contraction mode, consumption demand continued to weaken and declining Capital Goods production was indicative of stalled investment demand.

With sluggish growth across all sectors in the economy, the demand for the Fine Dining Industry too remained moderated throughout the year, primarily due to high Consumer Price Inflation (CPI) and weak sentiment. This problem was further compounded by lower discretionary spends.

The operating context for the year was challenging, given the backdrop of a market slowdown, a volatile input cost environment and heightened competitive intensity. Moreover, as the discretionary spends remained lower, the break-even period for your Company's restaurants too was impacted. Further the need to record all costs related to opening of new restaurants on an upfront and actual basis added to the pressure on the operating front.

Your Company's performance for the year 2013-14 has to be viewed in the context of abovementioned economic and market environment.

The total Income of your Company increased to Rs. 2,736.9 million from Rs.2,360.4 million in the previous year recording a growth of 15.9%.

The Profit before Depreciation, Interest and Tax (PBDIT) amounted to Rs. 438.0 million (16.0% of the revenue) as against Rs. 459.1 million (19.5% of revenue) in the previous year.

The Net Profit after Tax was Rs.188.9 million as against Rs. 234.1 million in the previous year.

Despite, the challenging economic conditions, your Company proceeded with its expansion plan charted out for the year. Your Company has initiated measures to efficiently utilize its physical and human assets by sweating them, to rationalize and re-engineer costs and to tactically hike prices while retaining the footfalls through reversal innovative measures.

Following the General Elections held a few months back we have a new Government with a comfortable majority. There is an air of cautious optimism that economic reforms will be put back on track and a business friendly set of initiatives will be put in place to revive overall growth in the economy.

3. Dividend on Equity Shares:

Your Directors are pleased to recommend a dividend of Re. 1.00 per share (Previous Year Re. 1.00 per share) for the financial year ended March 31, 2014.



4. Investments in the Joint Venture Company:-

Your Company entered into a joint venture with the Al Mohannadi Group for the purpose of setting up a restaurant under the brand name "Mainland China" and a Joint Venture Company was incorporated during the financial year 2013-14 under the name of "Mainland China Restaurant LLC" in Doha, Qatar.

The Company had invested 4,90,000 QAR (Qatari Riyal) in the equity instruments of the Joint Venture Company for the subscription of 490 equity shares of QAR 1000 each, fully paid-up.

5. Employee Stock Option Scheme:

Your Company has granted 5,77,200 Options to the employees of the Company under Speciality Restaurants Limited-Employee Stock Option Scheme 2012 (the "ESOP Scheme").

Details of the Options granted to the Employees as on March 31, 2014 and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") are set out in the Annexure to this Report.

Your Company's Auditors M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, have certified that the ESOP Scheme has been implemented in accordance with the SEBI Guidelines and the resolutions passed by the members of the Company in this regard.

6. Operations:

The operations of your Company are elaborated in the annexed Management Discussions and Analysis Report.

7. Management Discussion and Analysis Report:

As stipulated under Clause 49 of the Listing Agreement/s Management Discussion and Analysis Report for the financial year under review is presented in a separate section forming part of the Annual Report.

8. Awards & Recognition:

Your Company's brand initiative have been recognized and appreciated across forums. During the year under review your Company has won following awards:-

Year	Awards
2013	Mainland China, Gurusaday Road won the Telegraph Food Guide Award in the category of Best Oriental Cuisine.
2013	Mainland China, Chandigarh won 'Times Food Award' in the category of Best Chinese.
2013	Oh! Calcutta, Mumbai won 'Times Food Award' in the category of Best Bengali.
2013	Oh! Calcutta, Delhi won 'Times Food Award' in the category of Best Bengali.
2013	Oh! Calcutta, Kolkata won the Telegraph Food Guide Award in the category of Best Bengali.
2013	Oh! Calcutta won the Chef's Favourite in Asia's 50 Best Restaurants (Singapore).
2013	Sigree, Vashi won the Srishti Online Channel Award in the category of Best Grill & Buffet.
2014	Mainland China, Mumbai won 'Times Food Award' in the category of Best Chinese.
2014	Mainland China, Pune won 'Times Food Award' in the category of Best Chinese.
2014	Mainland China, Goa won 'Times Food Award' in the category of Best Chinese.
2014	Mainland China, Mumbai Won 'Master Brand Award' (Asia Retail Congress).
2014	Oh! Calcutta, Mumbai won 'Times Food Award' in the category of Best Bengali.
2014	Oh! Calcutta, Pune won 'Times Food Award' in the category of Best Bengali.
2014	Oh! Calcutta, Bengaluru won 'Times Food Award' in the category of Best Bengali.
2014	Oh! Calcutta, Delhi won 'Times Food Award' in the category of Best Bengali.
2014	Sigree Global Grill, Powai won 'Times Food Award' in the category of Multi Cuisine Buffets.
2014	Mezzuna, Pune won 'Times Food Award' in the category of Best Pizza.
2014	Mezzuna, Pune won 'Times Food Award' in the category of All Day Dining.
2014	Haka, City Centre Kolkata won 'Mouth Shut Award' in the category of Best Buffet.
2014	Haka, City Centre Kolkata won 'Mouth Shut Award' in the category of Best Chinese.
2014	Sweet Bengal, Mumbai won 'Times Food Award' in the category of Best Mithai.

9. Directors:

In accordance with the erstwhile provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Susim Mukul Datta, Mr. Jyotin Mehta, Mr. Dushyant Mehta and Mr. Tara Sankar Bhattacharya, were appointed as Directors of the Company and are liable to retire by rotation.

Section 149 of the Companies Act, 2013 and the rules made thereunder provides for the appointment of independent directors. Sub-section 10 of Section 149 of the Companies Act, 2013 and the rules made thereunder specifically provides that independent directors shall hold office for a term of upto five consecutive years on the Board of a Company. Sub-section (11) of Section 149 of the Companies Act, 2013 and the rules made thereunder states that no independent director shall be eligible for more than two consecutive terms of five years. Any tenure of an independent director on the date of commencement of the Companies Act, 2013 shall not be counted as a term under sub-sections 10 and 11 of the Companies Act, 2013 except as may be provided in accordance with the rules made thereunder. Sub-section (13) of Section 149 of the Companies Act, 2013 states that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Companies Act, 2013 shall not apply to such independent directors.

Your non-executive and independent/non-independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Mr. Tara Sankar Bhattacharya and Mr. Dushyant



Mehta, Independent Directors of the Company are not liable for retirement by rotation at this Annual General Meeting. Mr. Vishal Sood, Non-Executive Non-Independent Director is also not liable for retirement by rotation at this Annual General Meeting. However, in order to comply with the requirements of the Companies Act, 2013 and the rules made thereunder, your Directors seek the appointment of Mr. Susim Mukul Datta, Mr. Jyotin Mehta, Mr. Tara Sankar Bhattacharya and Mr. Dushyant Mehta as Independent Directors for a period of five consecutive years with effect from April 1, 2014 upto March 31, 2019 and the re-appointment of Mr. Vishal Sood as Non-Executive and Non-Independent Director of the Company liable to retire by rotation.

10. Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i) The financial statements are prepared in conformance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the Company on the historical cost convention; as a going concern and on the accrual basis.
There are no material departures from prescribed accounting standards in the adoption of the accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied except as otherwise stated in the notes on accounts;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts on a going concern basis.

11. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The Particulars required as per the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity.

The details with regard to foreign exchange earnings and outgo are as under:-

(Rs. in Millions)

Foreign Exchange Earnings and Outgo:	2013-14	2012-13
Foreign Exchange Earned	-----	3.27
Foreign Exchange Used:	21.79	10.32

12. Information pursuant to Section 217 (2A) of the Companies Act, 1956:

During the year under review, none of the employees of the Company, whether employed for the whole year, or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

13. Consolidated Financial Statements:

The Company does not have any subsidiaries. It is not required to publish Consolidated Financial Statements.

14. Report on Corporate Governance:

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement/s entered into by the Company with the stock exchange forms part of the Annual Report.

The requisite certificate from the Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 of the listing agreement is attached to this report.

15. Utilisation of net Proceeds from the Initial Public Offering ("Issue")

As per the schedule of deployment of net proceeds from the Issue, disclosed in the prospectus dated May 22, 2012 (the "Prospectus"), the Company had proposed to utilize Rs. 1316.01 million towards development of new restaurants, Rs. 151.0 million towards development of a food plaza, Rs. 94.16 million towards repayment of portion of term loan facilities and Rs. 10.52 million towards general corporate purpose.

Your Directors like to inform you that as at March 31, 2014, the proceeds from the Issue earmarked towards repayment of portion of term loan facilities have been fully utilized. Further utilization of Rs.385.10 million scheduled to have been utilized in the financial years 2013 and 2014 towards development of new restaurants, is being utilized progressively in the light of existing economic conditions.

Further, the Company had intended to utilize Rs. 151.00 million towards development of a food plaza by financial year 2014. On account of delays with respect to obtaining of certain approvals, the Company has not been in a position to deploy funds towards development of the food plaza. The Company intends to deploy such funds on receipt of the relevant approvals.

16. Auditors:

M/s Deloitte Haskins & Sells LLP, (Formerly known as Deloitte Haskins and Sells) Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for



re-appointment for a period of five years as per the provisions of the Companies Act, 2013. It has been recommended to the shareholders to re-appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants, for a period of five years from the conclusion of the ensuing Annual General Meeting.

The Company has received written consent for the appointment as the Statutory Auditors as required under Section 139 of the Companies Act, 2013.

17. Corporate Social Responsibility:-

As per the Companies Act, 2013 all companies having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year will be required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising three or more directors, atleast one of whom will be an independent director.

In order to comply with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") comprising Mr. Jyotin Mehta, Mr. Dushyant Mehta and Mrs. Suchhanda Chatterjee. The CSR Committee is responsible for formulating and monitoring the CSR policy of the Company in accordance with the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

18. Acknowledgement:

Your Directors would like to express their appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review.

Your Directors also wish to place on record their appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board
Speciality Restaurants Limited

Susim Mukul Datta
Chairman

Date: May 28, 2014.

Place: Mumbai

ANNEXURE TO THE REPORT OF THE DIRECTORS

Statement as on March 31, 2014 (Pursuant to clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended with respect to options granted under the Company's Employee Stock Options Scheme.

S r . No.		Speciality Restaurants Limited-Employee Stock Options Scheme 2012
A	No. of options granted	5,77,200
B	Pricing Formulae	The exercise price as approved by the shareholders would be the price determined by the Board/ Committee. The exercise price as approved by the Board Governance and Remuneration Committee of the Company, is the market price which is the latest available closing price, prior to the date of meeting of the Committee in which the Options are granted on the stock exchange on which the shares are listed. In case the Shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered. The Options were granted at the exercise price as defined above.
C	Total number of Options vested	Not applicable
D	Total number of Options exercised	Not Applicable
E	Total number of Ordinary Shares of Rs. 10 each as a result of exercise of options.	Not applicable since exercise of option will begin from September 6, 2014.
F	Total Number of Options lapsed	61,900
G	Variation of terms of Options	Nil
H	Money realized by exercise of options	Not applicable
I	Total number of options in force	5,15,300
J	Details of Options granted to Senior Management Personnel	As provided below
	Sr. No.	Name
	1	Mr. Indranil Chatterjee
	2	Mr. Indraneil Palit
	3	Mr. Phiroz Sadri
	4	Mr. Rajesh Kumar Dubey
	5	Mr. Rajesh Kumar Mohta
	6	Mr. Nripendra Chauhan
	7	Mr. V.S.Satyamoorthy
	8	Mr. Ramchander
	(i) Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None
	(ii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
(K)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share.	Not applicable
(L)	(i) Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the intrinsic value of method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2013-14 is Nil.
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	Rs. 3.6 million



	(ii) The impact of this difference on profits and on Earnings Per Share of the Company	The effect on the profits and earnings per share, had the fair value method been adopted is presented below:- Rs. in Millions		
		Profit After Tax		188.9
		As reported		
		Add: Intrinsic Value		
		Compensation Cost		-
		Less: Fair Value Compensation		
		Cost (Black Scholes model)		3.6
		Adjusted Profit		185.3
		Earnings per Share	Basic (Rs.)	Diluted (Rs.)
		As reported	4.02	4.02
		As adjusted	3.95	3.95
(M)	Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price per Option: Rs.126.20. Weighted average fair value per Option: Rs. 48.87.		
(N)	A description of the method and significant assumptions used during the year to estimate the fair value of the Options	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:		
		(i) Risk-free Interest rate		8.85%
		(ii) Expected life		4 years
		(iii) Expected volatility		36.47%
		(iv) Expected dividends		0.79%
		(v) The price of the underlying shares in market at the time of Option grant		Rs. 126.20

For and on behalf of the Board
Speciality Restaurants Limited

Susim Mukul Datta
Chairman

Date: May 28, 2014.

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview:

As per the World Bank's "South Asia Economic Focus Report" published in April 2014, India's GDP was expected to clock a growth of 4.8 per cent for FY 2013-14. However, for FY 2014-15, the expected growth rate has been pegged at 5.7% based on the anticipation of a gradual recovery over the next couple of years, as manufacturing activity accelerates and new and existing investment projects come on stream. This continued growth momentum over FY 2014 and FY 2015 will act as a catalyst for growth in businesses including the Food & Service Industry.

The improved outlook is primarily on account of improved macroeconomic fundamentals, expectations of a reforms push by the new Government, sustained decline in Current Account Deficit and continuous measures undertaken by the Reserve Bank of India and Government of India to improve fiscal sustainability and the business environment.

The Indian Rupee plunged to a record low of Rs. 68.80 per US Dollar during the first half of FY 2013-14, but has since, stabilized due to calculated measures taken by the Reserve Bank of India to arrest its further fall.

Inflation on both fronts, the Wholesale Price Inflation (WPI) as well as the Consumer Price Inflation (CPI) remained at elevated levels and hence contributed to increased overall costs of operations. The WPI and CPI inflation rates are expected to soften in the current fiscal, thus paving the way for RBI to cut interest rates. Falling interest rates would not only aid growth but also improve the overall sentiment in the economy as the fortunes of various sectors of the Indian economy are sensitive to the movements in interest rates. A stronger fiscal stance by the new Government, reforms push and further improvements in economic activity could facilitate rate cuts going forward.

Overall then, there could be greater opportunities for businesses, as consumer confidence improves. This would boost discretionary spending again and that could lead to higher spending on eating out, resulting in growth for the food and service industry players.

Food and Services Industry-Overview:

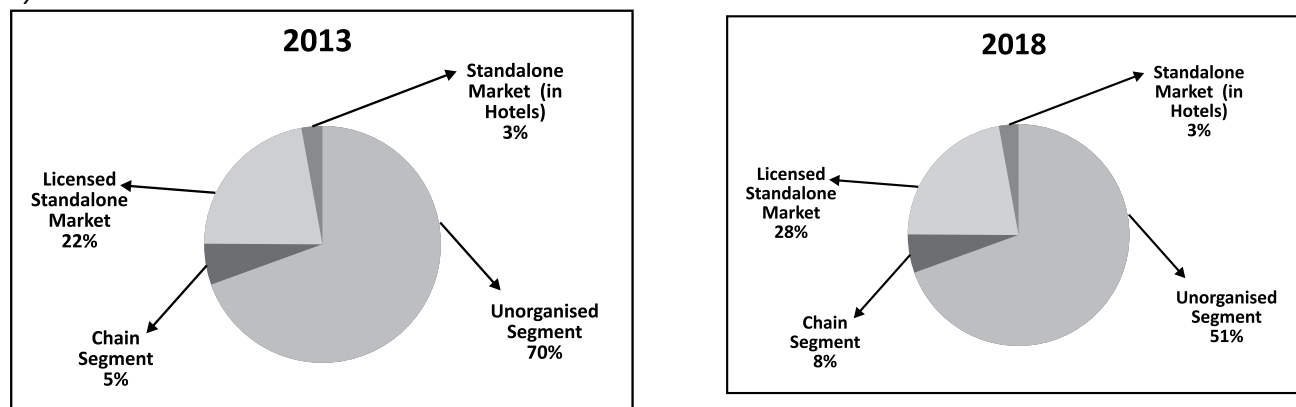
The Food and Services Industry (FSI) is characterized by the presence of organized and unorganized players in the industry. Of the two segments, the unorganized segment dominates the FSI currently and comprises Dhabas, local restaurants and roadside eateries which have been most common eating out options. This market lacks standardization in terms of menu, operations and format. It is also fragmented and highly competitive which has been a reason for the shifting trend in favor of the Organized or Chain Market Segment, which is aligned to consumer needs and tastes.

This shift towards the organized segment is also fuelled by increasing aspirations of the people and the ability of the organized segment to delight its customers with a combination of quality, value, convenience, taste and flavors, ambience etc.

This segment is continually innovating and investing in introducing new formats and cuisines. In addition to this, increased tourism and enhanced living standards are also benefitting the organized segment.

Within the organized segments (Chain and licensed standalone segment) there are various formats that have delighted the customers. Cafes, Quick Service Restaurants (QSRs), Frozen Desert / Ice-creams, Casual Dining, Fine Dining and Pubs, Bars, Clubs and Lounges (PBCL) are some of the formats that have been growing quite significantly.

The Indian Food Services Report 2013 of the National Restaurant Association of India's (NRAI) estimates the Food and Service Industry will grow at a CAGR of 11% over the next 5 years from Rs. 2,47,680 crores in 2013 to Rs. 4,08,040 crores by 2018.



Indian Food Services Market Size and Segment Share

(Rs. In crore)

	Unorganised	Chain Market	Licensed Standalone Market	Licensed Standalone (in Hotel)	Total
2013	1,72,685	12,785	55,210	7,000	2,47,680
2018	2,50,670	33,250	1,12,520	11,600	4,08,040

Source: NRAI Report 2013



Currently, the organized market (chain and licensed standalone segment) has a size of Rs. 67,995 crores in 2013 and is projected to grow to Rs. 1,45,770 crores or USD 28 billion by 2018 at a CAGR of 16%. Within this, the chain market has a share of 19% (Rs. 12,875 crores) in 2013 that is projected to reach 23% (Rs. 33,250 crores) by 2018 which is about 21% CAGR growth over the next five year period. The Chain Market Segment makes up 5% of the total Food Services market and is expected to increase its share to 8% by 2018.

In comparison the licensed standalone segment, which currently forms approximately 22% of the overall market, is estimated to be Rs. 55,210 crores in 2013. However, this segment is expected to record a growth of approximately 15% CAGR over the next five years to reach a size of Rs. 1,12,520 crores.

Overall, the chain market is smaller than the licensed standalone market but holds high potential as most of the brands are looking to expand further; and a friendly regulatory environment too is fostering the entry of many international players as well as boosting the rise of homegrown business chains.

Size of the Chain Food Services Market

(Rs. In crore)

Type	2013	% Share of Total	2018	% Share of Total
Café	5,910	8.7	11,520	7.9
Quick Service Restaurant (QSR)	11,740	17.3	26,835	18.4
Frozen Desert / Ice-cream (FD/IC)	2,100	3.1	3,890	2.7
Casual Dine	37,150	54.6	84,990	58.3
Fine Dine	2,140	3.1	3,900	2.7
PBCL	8,955	13.2	14,635	10.0
Total	67,995	100%	1,45,770	100%

Source: NRAI Report 2013

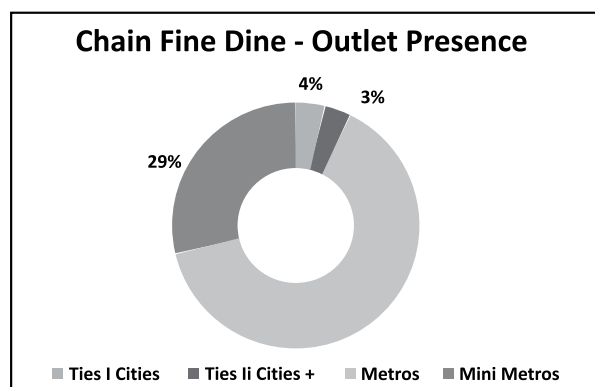
While, the Chain Market is expected to grow from the present INR 12,785 crores to INR 33,250 crores by 2018 at a CAGR of 21% to increase its share to 8% in the total Food Services market it is also likely to witness consolidation as the sector is becoming more organized and players are focusing more on customer retention and enhancing the range and depth of offerings. As consolidation happens, the unorganized players too are likely to move into the organized space by encashing on their strengths.

An industry as vast as this provides large direct and indirect employment and also generates revenue for the Government. Thus, as consumption picks up this industry is likely to add to the overall economic growth of the Country and thus contribute towards Nation building too.

Fine Dining Market Segment:

A Full Service, Fine Dining Restaurant is one which looks into three main aspects - Menu, Ambience and Customer Service. The Fine Dining industry has an advantage over other restaurant formats such as QSR or Cafes in the sense that it is more suitable for a family outing and is usually a more popular and a preferred option. Additionally, it also is characterized by the potential to spend on eating out which is usually higher in Urban areas than in Semi-Urban regions. However, as the standard of living increases, fine dining industry is likely to grow at a much faster pace.

The Fine Dining Market, part of the organized Chain Market Segment is at a nascent stage in India. However, this market is likely to grow at a CAGR of 15% over the next five years and is estimated to reach a size of Rs. 1,010 crore in 2018 from the size of Rs. 500 crore in 2013 as estimated in NRAI and Technopak's report of 2013. The improved standard of living and willingness of customers to pay premium for high quality food, service and experience appear to be key drivers for this industry especially in Metros and Mini Metros. In addition to this, introduction of new and exotic cuisines from around the world, increasing experimentation by launching signature dishes, innovation and customization of menus, interactions of the chefs with guests, etc. too are likely to fuel growth for an industry which has immense growth potential.



Source: NRAI Report 2013

Fine dining restaurants allow customers to experience the celebration of food that is aesthetically cooked to arouse their taste buds with visually appealing food portions. Your Company operates in the Fine Dining segment and as India progresses demographically, invoking its affluent and middle-class population to drive consumption, the entire phenomenon will enable the restaurant business to soar further.

Fine Dining Industry Growth Drivers:

The hotels and restaurants industry as of today is at the threshold of entering a dynamic market. That is primarily because the industry has witnessed significant growth in recent times thanks to factors such as rise in demand for a global menu, increase in disposable income and spiraling popularity of eating out as a regular form of entertainment and so on.

Restaurants in India have become places for social gatherings and therefore, independent outlets are dominating the industry in India. Roughly, there are 1.5 million eating outlets in India and the number is expected to grow rapidly in the near future. The overall Indian restaurant industry is growing at a rate of 5% to 10% per annum.

It is this movement in the market that has been attracting leading hotel and restaurant chains towards seeking a bigger share of the business pie. The industry is witnessing heavy PE (private equity) investments.

The growing income of the Indian middle class, increasing exposure to international lifestyles has aided the growth of the Fine Dining segment within the overall Food & Beverage Industry. As a result of this, people no longer wait for occasions (anniversaries or birthdays) to dine out but do so as a matter of routine. This evolving dining culture would therefore provide good opportunities for players to grow in the fine dining segment.

With an increase in the number of Indians going abroad and the flurry in domestic tourism, Indians have enjoyed global experiences and cuisines from across the world. Resultantly, Fine Dining restaurants are preferred as they offer better ambience, service and presentation, often at par with global standards.

Certain trends that directly impact the Fine Dining segment are changing consumer lifestyles and preferences with an increasing number of women in the workforce, increase in double income households, rising disposable income, growth in nuclear families particularly in urban India, increasing urbanization and higher frequency of eating out, exposure to global media and cuisine, malls, easy access to large sums of disposable wealth by the young population in the urban areas and the multiplex boom have all fuelled the growth of the fine dining business in India.

Further, adding to the bright outlook for the sector is the surge in banqueting and organizing conferences. With forecasts of improving economic growth over the next couple of years, the going is likely to get better for the Indian Fine Dining players which include the niche fine dining service providers such as your Company and other five star hotels and restaurants catering to the luxury market segment.

Fine Dining Industry Challenges:

Given the sheer size of the Indian consumer market and the increasing spending power, it is a natural destination for fine dining companies not just from within India but also abroad. India is witnessing increased investments in the industry resulting in a highly competitive environment.

The persistently high rate of inflation has been the biggest challenge for the food and restaurants industry. In this scenario, being able to maintain footfalls, consistency in the price to compete with the traditional sector besides incurring huge expenses are major challenges for most fine dining restaurants. Fragmented market and increasing competition, operational challenges including real estate, manpower, fragmented supply chain and regulatory concerns such as existing high taxes, burden of new taxes and over-licensing too are posing serious challenges for the players in the fine dining industry.

Given the high growth potential of this segment in India, international fine dining brands entering the country are likely to tweak their price and menu as holding on to their international price will not be an option here with the market for niche restaurant brands. This will therefore enhance competition.

Fluctuation in the Indian Rupee against the US Dollar witnessed during FY 2013-14 has also enhanced the challenges for fine dining players in India. This is because the Indian fine dining industry is dependent on imports of a variety of key ingredients to provide their guests with varied exotic and unique dishes. Thus fluctuation in currency rate is likely to impact the cost of imports that could in turn influence the costs of operation.

Lastly, the food and restaurant industry is extremely sensitive to rising consumer demands, changing tastes and preferences that are evolving by the day. Thus ability and agility to respond to these dynamic changes will be the key for fine dining players to garner market share in this highly potent market segment.

Competitive Advantage

Your Company continues to enjoy premium brand equity for its flagship brand Mainland China, for its core brands Oh! Calcutta, Sigree Global Grill and Sweet Bengal and also for its power brands Café Mezzuna- and Hoppipola. As promised at the time of the IPO, the expansion plan is on track and efforts are always on to innovate and delight consumers. Your Company continues to focus on increasing its reach geographically and tapping new areas with high potential. As a step forward in this direction, your Company has formed a 49% :51% Joint Venture Company namely Mainland China Restaurant (as a Limited Liability Company) with Al Mohammadi Group, Qatar to run and operate a restaurant in Doha, Qatar under its flagship brand Mainland China.

Doha, Qatar is an important business hub in the Gulf Cooperation Council (GCC), a six member council. With growing private consumption and food consumption in Qatar there are estimates for growth at a CAGR of 5% by 2017 mainly due to an improved economic outlook. This will aid the aspirations of your Company to set its footprint in the global arena and also cater to the Indian diaspora in the West Asian countries where there is top of the mind recall for your Company's flagship brand Mainland China.

Having set a stage of creating a strong asset base, the real challenge hereon is to increase the 'sweating of assets', as it is called in the restaurant industry. In a decisive move towards this direction, your Company has recently launched 'Mainland China – Asia Kitchen' at Oberoi Mall in Mumbai to be the first such outlet in the domestic market. This new addition to the brand portfolio of the group promises another gastronomic adventure. Mainland China now brings all



the legendary kitchens of Far-East under one roof - from the streets of Hong Kong, Singapore, Malaysia, Thailand, Japan, Korea, Myanmar and of course, China. This is an all-day dining format with a live kitchen that adds a completely new dimension to Mainland China. Having received an encouraging response to this new format we are looking to expand the Mainland China – Asian Kitchen across malls in India which witness heavy footfalls. We have already identified this and plan to open in Phoenix mall in Mumbai soon.

Oh! Calcutta, the core brand of your Company has been in the industry for over two decades now, offering authentic Bengali cuisine. Oh! Calcutta has the honour of being the most awarded and being rated among Asia's top restaurants by the prestigious Miele Guide, Singapore. Further, it has also been awarded as the best Restaurant in Pune offering authentic Bengali Cuisine by Times Food Awards 2014, Pune. Adding to this Oh! Calcutta also won 'The Telegraph Food Guide Award' for Excellence in 2013.

Introduction of new brands like Sigree Global Grill, Café Mezzuna and Hoppipola in an effort towards sweating of assets has also helped the Company to focus on tapping a wider audience. These new brands launched during the financial year 2013-14 not only expand the offering but also create value for the Company.

Expanding the outdoor catering business is also being viewed as a growing business opportunity and initiatives have already been taken to aggressively expand your Company's presence in this segment. 'Mobi-Feast' is your Company's initiative in this direction and it has seen a good start with the outdoor catering contract for the Kolkata Knight Riders Team at the Indian Premier League-2013. Your Company has also provided catering services to some of the biggest corporate houses operating in the Telecom, IT and Oil & Gas sectors to name a few.

Risk Mitigation

Inflation and Cost Pressures

Rising food prices and increasing cost pressures on all fronts has been the bane of the restaurant industry.

Your Company tries to pass on the increased costs by increasing menu prices, or by reviewing and implementing, alternative processes thereby facilitating cost control. As a strategic decision, your Company undertook to raise prices twice although marginally during the year. This resulted in your Company managing concerns arising out of sticky inflation and rising cost pressures as the incremental burden of rising costs was passed on to the guests. However, despite the price hikes, your Company's flagship brand Mainland China continued to register healthy footfalls given the strong brand equity it has in the fine dining segment.

Your Company introduced during the year small and regular portion menus with differential pricing at its flagship restaurant Mainland China across the country in order to increase the value proposition for guests already under pressure of spending.

Enhancing Brand Experience

Building a brand is about consistency. Thus, every Company which has built a brand has to live with the moral consequences of that brand. It is also a promise to the customer and ensuring the promise is kept is of utmost importance.

Your Company's promoters have an experience of over two decades and have been able to successfully create a brand and maintain it. This is testimony to the flagship brand Mainland China and core brands Oh! Calcutta, Sigree (now Sigree Global Grill) and Sweet Bengal which have been leaders in their respective segments. All the brands of your Company have been able to maintain consistency in delivering quality food, service and experience continuously for over years. A measure of our ability to continuously deliver the brand experience is the Food Consistency Quotient (FCQ). Based on an independent survey conducted, this metric has been one of the highest in the category for the Company and has been the prime reason for its success.

Your Company's strong adherence to processes and efforts to continuously improve and maintain back end operations has helped maintain consistency. Your Company has been successful in keeping upto this challenge despite the expansion plan that it embarked upon since IPO.

Increasing Competition

Besides the need to be clued in on the changes in consumer tastes, economic conditions and traffic patterns, the restaurant business is also highly competitive in terms of price, service, and location, entry of foreign players, nutritional and dietary trends and food quality.

Your Company has launched several brands and commenced operations for its all day dining operations to cover a wider audience. While Mainland China continues to be the flagship brand, your Company intends tackling competition with better presence in the domestic and international locations and wider offerings.

To ensure that the company remains ahead of its peers in the fine dining industry, it recently launched 'Mainland China - Asia Kitchen' for leveraging the existing brand equity and the space that was occupied by the brand equity Mainland China in malls that have very high footfalls. This would certainly result in improving footfalls and reflect in a higher topline and subsequently boost the bottom-line as well.

Customer service orientation is the precipice of success for any Food and Restaurant business. It is towards this orientation that your Company pro-actively took measures of adding the personal touch by implementing small value added services such as providing reading glasses of various powers, making available shawls, sewing kits, mobile chargers, contact lens solutions and even taking care of infants and kids while allowing parents to dine peacefully. We have thus been able to please our guests by providing them with superior service. We have also been monitoring the feedback and suggestions of our patron and have thus been quick enough to track and implement it. This eye for such details has always helped us remain ahead of the competition.



In an environment which is dynamic and fast changing, being relevant is of utmost importance for enhancing the brand equity. Your Company has strived hard to keep pace with these changes and hence the introduction of new brand ideas with popular cuisines such as Café Mezzuna, Sigree Global Grill, Hoppipola, etc. which are all directed towards allowing your Company to stay ahead of competition

Operations

Operationally, the restaurant business continues to remain a difficult one to handle as we need to manage an efficient supply chain, handle sourcing and presentation etc. which remain integral to its success.

Your Company has been in operations for close to two decades and all along it has made efforts to strengthen its processes to achieve better efficiency and optimum quality. This has culminated into extremely well laid out procedures across all its operational activities. Your Company has conducted several training programs for the employees for handling multi task skills thereby enhancing productivity. Initiatives such as the introduction of electronic menus through Tablets have resulted in saving in time and thereby cost savings.

To maintain profitability even during challenging macro environment, your company re-negotiated rentals given the strong brand equity enjoyed by your Company.

It was due to the challenging environment witnessed by your company in FY-2013-14 that we have been able to successfully launch 'Hoppipola' an all-day bar and restaurant that offers contemporary food. This strategy will allow your Company to expand margins, as these joints are being set up at available space on existing locations of the Company's restaurants.

Internal Control Systems and their Adequacy

Across industries, internal processes control and systems play a critical role in the health of a company. An effective system of internal controls forms a keystone necessary for building, maintaining and improving shareholders value and helps to enhance the overall quality of the business and enterprise. Your Company has its own internal control systems in place to ensure that all assets are protected. Your Company has adequately insured for the assets as well as the employees. Insurance policies are in place and Risk Identification and Mitigation is undertaken by the members of the Senior Management actively and on an ongoing basis.

Financial Performance

Accounting policy

The Company follows the Generally Accepted Accounting Principles (GAAP) in India, applicable accounting standards and other necessary requirements of the Companies Act, 1956 for the preparation of its financial statements. The Company uses accrual basis of accounting except in cases of assets for which provision for impairment is made.

The Year 2013-14

Financial Performance as a measure of Operational Performance

a) Total Revenue

(Rs. In Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Revenue From Operations	2638.5	2269.2	369.3	16.3
Other Income	98.4	91.2	7.2	7.9
Total	2736.9	2360.4	376.5	15.9

Total Income which comprises of Revenues from Operations and Other Income registered a growth of 15.9% for the year. The increase in revenue from operation was mainly due to revenue from new restaurants opened during the year and partly due to price increase affected during a part of the year. Other Income increased by 7.9% on account of investment of the available funds in mutual funds, etc.

Other Income includes interest received from Banks/Others, Dividend on Current Investments, Foreign Exchange Gain (Net), Excess Credit Balances written back (Net) and Miscellaneous Income.

b) Cost of Material Consumed

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Cost of Material Consumed	759.1	609.6	149.5	24.5

Cost of Materials consumed for the year has gone up by 26.2% as compared to the previous year. This was primarily due to increase in number of restaurants coupled with on account of inflation and also due to adverse foreign exchange fluctuation.

c) Employee Benefit Expenses

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Employee Benefit Expenses	612.5	512.8	99.7	19.4

Employee Benefit Expenses comprises salary, bonus, allowances, Company's contribution to Provident Fund and Gratuity and staff welfare expenses. There is an overall 19.4% increase in Employee Benefit expenses during the year under review as compared to previous year, primarily due to increase in salaries as well as absorption of employee cost of new restaurants. The number of employees as on March 31, 2014 was 4678 as against 3978 as on March 31, 2013.



d) **Finance Costs**

(Rs.in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Interest	0.7	5.0	-4.30	-86.0

There was no Long Term/Short Term debt during the year except vehicle loans resulting in lower charge of interest.

e) **Depreciation / Amortization / Impairment**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Depreciation and Amortization / Impairment Expenses	190.3	149.3	41.0	27.5

The charge for depreciation on tangible assets was higher for the year under review as compared to last year due to opening of new restaurants as well as full charge for the restaurants opened during the second half of 2012-13. The amortization expenses are towards intangible assets (Software, Patents and Trademarks). Impairment charge aggregating to Rs. 6.21 million against previous year of Rs. 1.70 million.

f). **Other Expenses**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Other Expenses	927.3	778.9	148.4	19.1

Other Expenses includes rent, power & fuel, rates, taxes & license fee, Insurance, Operating Supplies, Advertising and Marketing Expenses, repairs and maintenance and Other Miscellaneous Expenses. The increase in other expenses was mainly due to absorption of expenses pertaining to new restaurants as well as due to inflation.

g) **Profitability**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Profit Before Tax (PBT)	247.0	304.9	-57.9	-19.0
Profit After Tax (Net Profit)	188.9	234.1	-45.2	-19.3

Apart from the general slowdown in the economy, which has impacted the overall performance profitability was also impacted due to increase in the cost of materials and other expenses on account of inflation.

Financial Position

a) **Networth**

(Rs.in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Paid Up Share Capital	469.6	469.6	0.0	0.0
Reserves & Surplus	2569.6	2435.6	134.0	5.5
Total Net worth	3039.2	2905.2	134.0	4.6

Total Networth of the Company increased during the year on account of profits earned during the year.

b) **Total Borrowings**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Short Term Borrowings	-	-	-	-
Long Term Borrowings	6.2	1.0	5.2	520.0
Total Borrowings	6.2	1.0	5.2	520.0

The increase in borrowing during the financial year 2013-14 was due to avilment of fresh loans for the purchase of vehicles. The Company did not have any debt on its books and thus continues to be a debt free company.

c) **Net Fixed Assets**

(Rs.in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Fixed Assets after Depreciation (Net)	1411.5	1021.1	390.4	38.2

There was an overall increase of 38.2% in the Net Fixed Assets of the Company primarily due to addition of tangible assets in respect of new restaurants.



d) **Investments**

(Rs.in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Non-Current Investments	8.99	0.08	8.91	11137.5
- Unquoted Investments	8.99	0.08	8.91	11137.5
Current Investments	1100.4	1364.3	-263.9	-19.3
- Units of Mutual Funds	1100.4	1364.3	-263.9	-19.3
Total	1109.39	1364.38		

The increase in non- current investment was mainly due to investments in equity instruments of a Joint Venture Company.

The Company's investment of surplus cash in Liquid Mutual Funds decreased by 19.3% due to redemption of the funds from the Mutual Funds for utilization towards capital expenditure in new restaurants.

e) **Trade Receivables**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Outstanding for period exceeding six months from due date of payment				
- Considered Good	54.4	38.0	16.4	43.2
- Considered Doubtful	34.9	17.8	17.1	96.1
Others				
- Considered Good	142.1	76.5	65.6	85.8
- Considered Doubtful	-	-	-	-
Less : Provisions	34.9	17.8	17.1	96.1
Total	196.5	114.5		

The increase was primarily due to booking of Initial Access Premium from the franchisees at the time of entering into an agreement for franchise restaurants.

f) **Cash & Cash Equivalents**

(Rs.in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Balance with Bank in Current Account	78.9	28.3	50.6	178.8
Balance with Bank in Fixed Deposits	47.0	63.6	-16.6	-26.1
Cash on Hand	4.9	6.1	-1.2	-19.7
Total	130.8	98.0		

Increase in balance with Banks in current account was primarily because of receipt of week end collections from sales on the last date of the Financial Year.

g) **Liabilities and Provisions**

(Rs. in Millions)

	2013-14	2012-13	Change (Rs.)	Change (%)
Current Liabilities	502.4	355.6	146.8	41.3
Non-Current Liabilities	6.3	1.0	5.3	530.0
Total	508.7	356.6		

Current Liabilities comprise of trade payables, short term provisions and other current liabilities. Non-Current liabilities comprise long term borrowings.

The increase in Current Liabilities was on account of liability for procurement against on-going projects, trade payables and other expenses.

The increase in Non-current Liabilities was on account of finance lease against vehicle loans availed during the year.



REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement/s with the Stock Exchange/s, a Report on Corporate Governance is given below:-

A. Mandatory Requirements:

1. Company's Philosophy on Corporate Governance:

Good Corporate Governance is essential to achieve long-term corporate goals, enhance shareholder value and attain highest level of transparency. Your Company is committed to adopt the highest standard of Corporate Governance, accountability and equity in its operations and in interaction with all stakeholders. Your Company believes that all its operations and actions must serve the underlined goal of enhancing customer satisfaction and shareholder value over a sustained period of time as also meet other stakeholders aspirations and societal expectations.

2. Board of Directors:

2.1. Composition of the Board:

The Company has an optimum combination of Executive Directors and Non-Executive Directors. The Board comprises Eight Directors, of whom four are independent Directors includes Chairman, one Non-Executive Non-Independent Director and Three Executive Directors.

The Directors possesses experience and specialization in diverse fields, such as hoteliering, project management, legal, banking, finance, administration, etc.

During the financial year ended 31st March, 2014 there was no change in the composition of the Board of Directors of the Company. The particulars of Directors retiring by rotation and seeking Appoint re-appointment by the Members have been included in the Notice of the Annual General Meeting.

The Composition of the Board as on 31st March, 2014 and category of Directors are as follows:-

Category	Name of the Directors	Designation	No. of Shares held as on 31 st March, 2014
Promoter Directors	Mr. Anjan Chatterjee	Managing Director	16,529,905
	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Designs)	11,970,000
Executive Director	Mr. Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)	1,299
Non-Executive Non-Independent Director	Mr. Vishal Sood	Director	NIL
Independent Directors	Mr. Susim Mukul Datta	Non-Executive Chairman	NIL
	Mr. Jyotin Mehta	Director	NIL
	Mr. Tara Sankar Bhattacharya	Director	NIL
	Mr. Dushyant Mehta	Director	1,280

2.2 Meeting of the Board of Directors and Board Procedures:

The Board of Directors had met 6 times during the year on 29th May, 2013, 13th August, 2013, 6th September, 2013, 12th November, 2013, 8th January, 2014 and 12th February, 2014 The Agenda for the Board Meetings together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board to take informed decisions.



2.3 Attendance at Board Meetings and Last Annual General Meeting:

Attendance of each Directors at the Board Meetings and the last Annual General Meeting (AGM) and the number of Companies and Committees where they are Directors/Members are given below:-

Name of the Director	Category	Attendance Particulars		Directorship/ Committee Membership in other Public Limited Companies.		
		No. Board Meetings Attended	AGM (held on 13.8.2013)	No. of other Directorships held as at 31.03.2014	Chairman	Member
Mr. Susim Mukul Datta	Non-Executive Chairman	5	Yes	12	2	6
Mr. Anjan Chatterjee	Managing Director	6	Yes	-	-	-
Mrs. Suchhanda Chatterjee	Whole time Director	2	Yes	-	-	-
Mr. Indranil Chatterjee	Whole time Director	6	Yes	-	-	-
Mr. Jyotin Mehta	Independent Director	6	Yes	1	1	1
Mr. Tara Sankar Bhattacharya	Independent Director	5	Yes	7	-	2
Mr. Dushyant Mehta	Independent Director	5	Yes	1	-	-
Mr. Vishal Sood	Non-Executive Non-Independent Director	1	No	1	-	-

None of Directors of the Board serves as a member of more than ten committees nor is Chairman of more than five committees across all companies in which he/she is a Director

“Committees” considered for this purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Shareholders/Investors Grievance Committee.

None of the Directors is related to any other except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee.

3. Audit Committee:

3.1 Composition, Meeting and Attendance:

The Audit Committee comprises four Directors of whom three are Non-Executive independent directors. The Chairman of the Audit Committee is an independent Director. Members have varied experience in banking, finance, legal, secretarial and accounting matters. The Executive Director-Finance & CFO is a permanent invitee for the meetings. The statutory auditors are also invited to the meeting. The Company Secretary acts as Secretary to the Audit Committee.

During the financial year 2013-14, the Audit Committee met five times on 29th May, 2013, 13th August, 2013, 12th November, 2013, 12th February, 2014 and 1st March, 2014.

The particulars of members and their attendance at the meetings are given below:-

Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Tara Sankar Bhattacharya	Chairman	Non-Executive Independent Director	5	5
Mr. Anjan Chatterjee	Member	Managing Director	5	4
Mr. Jyotin Mehta	Member	Non-Executive Independent Director	5	5
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	5	5

3.2 Terms of reference:

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement, as well as in Section 292A of the Companies Act, 1956 and are as follows:

1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement of statutory auditor and the fixation of audit fee;



3. Approving of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 5A. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;.
8. Discussing with internal auditors on any significant findings and following up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
13. Approving of appointment of chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
14. Carrying out any other function as is mentioned in terms of reference of the audit committee.

3.3 Powers:-

As enumerated in Clause 49 of the Listing Agreement, the Audit Committee, inter-alia, has the following powers:-

1. To investigate any activity within its terms of reference;
 2. To seek information from any employee;
 3. To obtain outside legal or other professional advice; and
 4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 4. Board Governance and Remuneration Committee: (Nomination and Remuneration Committee)**

The Board Governance and Remuneration Committee was constituted on March 2, 2011 and reconstituted on August 1, 2012 for reviewing and recommending the remuneration payable to the Directors and senior executives of the Company and assisting the Board with respect to the process of appointment or re-election of Chairman of the Board of Directors and other executive and non-executive Directors. The said committee was renamed as Nomination and Remuneration Committee ("NRC") by the Board in Meeting held on May 28, 2014.

Composition, Meetings and Attendance:

The Nomination and Remuneration Committee ("NRC") comprises of three Non-Executive Directors, all of whom are independent Directors. Mr. Dushyant Mehta is the Chairman of NRC. The Company Secretary acts as Secretary to the Committee. As on 31st March, 2014 the Committee comprised of Mr. Dushyant Mehta, Mr. Jyotin Mehta and Mr. Susim Mukul Datta.

One meeting of the NRC was held on 6th September, 2013 which was attended by all three Members of the Committee.



Terms of reference:-

The broad terms of reference Nomination and Remuneration Committee (the “NRC”) include the following:-

1. To assist the Board of Directors with the process of appointment or re-election of chairman of the Board of Directors and other non-executive and executive directors. In this regard, the NRC shall adhere to the following:
 - a. For the appointment/ re-election of the Chairman of the Board and with a view of reaching unequivocal consensus of the members of the Board on the candidate, the chairman of the NRC shall conduct a consultation with the members of the Board and report the conclusion to the Board, after having discussed the same with the members of the NRC ;
 - b. To submit to the Board the names of candidates for new members of the Board and to make relevant proposals to the Board in the event of renewal, resignation or possible retirement of any existing member of the Board. With regard to proposals for appointment of members of the Board, the NRC shall discuss with the Board the Board’s equilibrium criteria and profile of the candidate.
2. To draft procedures and propose modifications thereof for the appointment of members of the Board, managing director and chief executive officer.
3. To assist the Board of Directors in formulating and implementing the remuneration policy of the Company vis-à-vis the executive directors of the Company;
4. To recommend to the Board of Directors, the terms of compensation of the executive directors; and
5. To recommend compensation to the non-executive directors in accordance with the provisions of the Companies Act, 2013.
6. To approve any changes in the system of remuneration of the Company’s senior executives.
7. To prepare remuneration report to be included in the report on corporate governance included in the annual report of the Company
8. To consider and administer the ESOP Scheme and to formulate the detailed terms and conditions of the ESOP scheme including the following matters:-
 - a. The quantum of options to be granted under an employee stock option scheme per employee and in aggregate;
 - b. The conditions under which options vested in employees may lapse in case of termination of the employment for misconduct;
 - c. The exercise period within which the employee should exercise that option and that option would lapse on failure to exercise the option within the exercise period;
 - d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
 - e. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - f. The procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the NRC :-
 - (i) the number and the price of stock options shall be adjusted in a manner such that the total value of the stock options remains the same after the corporate action;
 - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - (iii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
 - g. The grant, vest and exercise of option in case of employees who are on long leave and
 - h. The procedure for cashless exercise of options.
9. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, to recommend to the Board their appointment and removal and shall carry out performance evaluation of each of the directors of the Company including independent directors.
10. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
11. The NRC while formulating the above policy shall ensure that:-



1. the level and composition of remuneration is reasonable and sufficient to attract and retain and motivate directors of the quality required to run the company successfully.
2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
3. remuneration to directors, key managerial personnel, and senior management involves balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

5. Shareholder/Investor Grievance and Share Transfer Committee (Stakeholders Relationship Committee) :-

The Shareholder/Investor Grievance and Share Transfer Committee have been constituted for the redressal of the shareholder grievances. The Shareholder/Investor Grievance and Share Transfer Committee would also function as the "Stakeholders Relationship Committee" for the purpose of compliance of the relevant provisions of the Companies Act, 2013 in pursuance of the decision taken by the Board in their Meeting held on May 28, 2014.

Composition, Meetings and Attendance:

As on 31st March, 2014, the Committee comprises of three members namely, Mr. Susim Mukul Datta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee. Mr. Susim Mukul Datta is the Chairman of the Shareholder/Investor Grievance and Share Transfer Committee (Stakeholders Relationship Committee). The Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company.

One Meeting of the Shareholder/ Investor Grievance and Share Transfer Committee was held on 12th November, 2013 which was attended by all three Members of the Committee.

Terms of reference:

The terms of reference of the Shareholder/Investor Grievance and Share Transfer Committee include the following:-

- (1) Redressal of Shareholders'/Investors' complaints;
- (2) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (3) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (4) Non-receipt of declared dividends, balance sheets of the Company;
- (5) Carrying out any other function contained in the Listing Agreement; and
- (6) To consider and resolve the grievance of the stakeholders of the Company.

During the year under review, the Company had appointed M/s. Link Intime India Private Limited as Registrars and Share Transfer Agents for carrying out all work relating to shares.

M/s. Link Intime India Private Limited had received 31 complaints during the year. All the complaints were resolved during the year to the satisfaction of the shareholders/investors and no complaints were pending as at the close of the financial year.

6. IPO Committee:

The IPO Committee of the Company was constituted on 2nd March, 2011 to give effect to the Initial Public Offering of the Company and issue of equity shares.

Composition, Meetings and Attendance:

The Committee comprised of three members namely, Mr. Anjan Chatterjee, Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee.

As the Company had successfully completed the IPO process and launched the IPO issue, the IPO Committee was dissolved by the Board in its meeting held on 29.05.2013 and no meeting of IPO Committee was held during the financial year 2013-14.

Terms of reference:

- a) To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the Issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- b) To appoint and enter into arrangements with the book running lead managers, underwriters to the Issue, syndicate member(s) to the Issue, brokers to the Issue, escrow collection bankers to the Issue, registrars, legal advisors and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the Book Running Lead Managers ("BRLMs") mandate letter, negotiation, finalization and execution of the Issue Agreement with the ("BRLM(s)") etc.;
- c) To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other



instruments whatsoever with the Registrar to the Issue, Legal Advisors, Auditors, Stock Exchange(s), ("BRLM(s)") and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;

- d) To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus for the issue of equity shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications and the related corrigenda/addendum/advertisements as may be required by Securities and Exchange Board of India (SEBI) or any other relevant Governmental and Statutory authorities;
- e) To make applications, if necessary, to the Reserve Bank of India, or to any other Statutory or Governmental Authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments / alterations/ corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
- f) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the company to execute all documents/deeds as may be necessary in this regard;
- g) To open and operate a bank account of the Company in terms of section 73(3) of the Companies Act, 1956 and to authorise one or more officers of the company to execute all documents/deeds as may be necessary in this regard;
- h) To determine and finalise the floor price/price band for the Issue, allocation, approve the basis for allotment and confirm allotment of the equity shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the ("BRLM(s)") and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue;
- i) To issue receipts/allotment letters/confirmations of allocation notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the company to sign all or any of the aforesaid documents;
- j) To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- k) To do all such deeds and acts as may be required to dematerialize the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Transfer Agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the company to execute all or any of the aforesaid documents;
- l) To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Issue;
- m) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- n) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.
- o) To delegate any of the powers mentioned in (a) to (n) to the following persons, namely Mr. Anjan Chatterjee and Mr. Indranil Chatterjee.

7. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee was constituted on May 28, 2014 for implementing the Corporate Social Responsibility Activities of the Company as per the requirements of the Companies Act, 2013 and the Rules made therein.

Composition, Meeting and Attendance:-

The Committee comprises of three members namely Mr. Jyotin Mehta, Mr.Dushyant Mehta and Mrs. Suchhanda Chatterjee. Mr. Jyotin Mehta is the Chairman of Corporate Social Responsibility Committee.

As the Corporate Social Responsibility Committee was constituted in May 2014, no meeting was held during the financial year ended on March 31, 2014.



8. Remuneration to Directors:

8.1 Remuneration to Managing Director/Whole-time Directors of the Company:-

The Remuneration to Managing Director/Whole-time Directors are decided on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors and Shareholders.

The remuneration package of Managing Director/Whole-time Directors comprise of salaries, perquisites and allowances and contribution to provident funds and other funds and/or commission. The details are summarised below:-

Sr. No.	Name of the Director	Designation	Salary and Allowances (Rs.)	Company's contribution to Provident Fund	Sitting Fees (Rs.)
1	Mr. Anjan Chatterjee	Managing Director	60,00,000/-	NIL	NIL
2	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interiors & Designs)	21,00,000/-	NIL	NIL
3	Mr. Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)	21,00,000/-	NIL	NIL

During the year, the Company had granted 50,000 stock options to Mr. Indranil Chatterjee, Whole-time Director of the Company.

8. 2. Remuneration paid to Non-Executive Directors of the Company:

Except Mr. Vishal Sood, all other Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and its Committees thereof. The Company pays its Non-executive Directors sitting fees of Rs. 10,000/- per meeting of the Board of Directors and Rs. 7,500/- per meeting of the Committee of Directors attended by them. The Company has not granted any stock option to any of its Non-Executive Directors.

Besides the sitting fees, all Non-Executive Directors were also paid commission for the year ended 31st March, 2013 subject to the overall limit of 1% of the net profits of the Company in pursuance of the approval granted by the Shareholders of the Company at the Annual General Meeting held on 13th August, 2013.

The details of payment of sitting fees and commission to the Non-Executive Directors during the financial year 2013-14 were as under:-

Sr. No.	Name of the Director	Sitting fees paid for the year 2013-14 (Rs.)	Commission paid for the year 2012-13 (Rs.)	Total (Rs.)
1	Mr. Susim Mukul Datta	65,000	3,86,000	4,51,000
2	Mr. Jyotin Mehta	1,05,000	3,53,000	4,58,000
3	Mr. Tara Sankar Bhattacharya	87,500	2,97,000	3,84,500
4	Mr. Dushyant Mehta	95,000	3,15,000	4,10,000
5	Mr. Vishal Sood	-	1,49,000	1,49,000
	Total	3,52,500	15,00,000	18,52,500

9 General Body Meetings:

9.1. Location and time of the Annual General Meeting (AGM), for the last 3 years are given below:-

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution	Passed
1	2012-13	14 th AGM	13.08.2013	3.00 p.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	Resolution No. 6 Re-appointment of Mr. Anjan Chatterjee as Managing Director of the Company on the revised remuneration.	By Majority
						Resolution No. 7 Revision in terms and conditions of remuneration of Mrs. Suchhanda Chatterjee, Whole-time Director.	-----do-----
						Resolution No. 8 Revision in terms and conditions of remuneration of Mr. Indranil Chatterjee, Whole-time Director.	-----do-----



Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution	Passed
						Resolution No.9 Payment of Commission to the Non-Executive Directors.	By majority
2	2011-12	13 th AGM	28.09.2012	3.00 p.m.	Confederation of Indian Industry, Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector-I, Salt Lake, Kolkata-700 064.	Resolution No. 6: Adoption of new Articles of Association of the Company. Resolution No. 7: Introduction and Implementation of Speciality Restaurants Limited-Employee Stock Option Scheme 2012.	Unanimously -----do-----
3	2010-11	12 th AGM	21.07.2011	1.30 p.m.	Uniworth House, 3A, Gurusaday Road, Kolkata 700 019.	N.A	N. A.

No special resolutions were required to be put through postal ballot last year.

At this meeting, there are no Special Resolutions for which Clause 49 of the Listing Agreement or Section 192A of the Companies Act, 1956 has recommended/mandated postal ballot.

9.2 Postal Ballot:

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

10. Subsidiary Company:

The Company does not have any subsidiary company.

11. Other Disclosures:

A. Disclosure of Related Party Transactions:

The transactions between the Company and the Directors and Companies in which the Directors are interested are disclosed in Note No. 28 of the Financial Statements in compliance with the Accounting Standard is relating to "Related Party Disclosures". There is no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large.

B. Disclosure of Accounting Treatment:

While preparing the financial statements, the Company has followed all the relevant/ applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

C. Details of utilization of funds out of the proceeds from the Public Issue:

The Company completed its Initial Public Offer (IPO) in May, 2012. 11,739,415 equity shares of the face value of Rs. 10/- each were allotted at a premium of Rs. 140/- per share. The utilization of the IPO Proceeds is summarized below:-

(Rs. In Lacs)

	Plan as approved by the members of the Company	Utilisation upto 31 st March, 2014.	Balance
(i) Development of new restaurants	13,160	5,663	7,497
(ii) Development of a food plaza	1,510	--	1,510
(iii) Repayment of Term Loan facilities	942	942	
(iv) General Corporate Purpose	105	--	105
	15,717	6,605	9,112
(v) Issue related expenses	1,892	1,836	56
Total	17,609	8,441	9,168

D. Details of Non-compliance:

There were no instances of non-compliance by the Company nor have any penalties, strictures have been imposed by the Stock Exchanges or Securities and Exchange Board of India ("SEBI") or any other statutory authority during the last three years on any matter related to the capital markets.



E. Code of Conduct:

All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on 31st March, 2014. The Code of Conduct has been posted on the Company's website (www.speciality.co.in)

A declaration to this effect signed by the Managing Director is appended to this Report.

F. Managing Director and Executive Director-Finance & CFO Certification:

The Managing Director and the Executive Director-Finance & CFO of the Company have given the certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

12. Means of Communication:

The Company's quarterly financial results, presentation made to the institutional investors/ and analysts, official news releases and other general information about the company are uploaded on the Company's website. (www.speciality.co.in)

The quarterly financial results are generally published in the Business Standards (all editions) and Aajkaal (a regional paper published in West Bengal).

13. General Shareholder Information:

1. Fifteenth Annual General Meeting:-

Day and Date : Monday, 15th September 2014

Time : 11.00 a.m.

Venue : Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata-700 046.

2. Financial Calendar for 2014-15 (Tentative)

Financial reporting for the quarter ending 30 th June, 2014.	2 nd Week of August, 2014
Financial reporting for the quarter/half year ending 30th September, 2014.	2 nd week of November, 2014
Financial reporting for the quarter ending 31 st December, 2014.	2 nd week of February, 2015
Financial reporting for the year ending 31 st March, 2015.	Last week of May, 2015

3. **Book-closure date** : Monday, 8th September, 2014 to Monday, 15th September, 2014
(Both days inclusive)

4. **Dividend Payment Date** : On 19th September, 2014 if declared at Annual
General Meeting on 15th September, 2014.

5. Listing Details:

The Company's Equity Shares are listed on the Stock Exchanges mentioned below:-

Name of the Stock Exchanges:

National Stock Exchange of India Limited, ("NSE")

"Exchange Plaza", Plot No. C/1, G-Block

Bandra-Kurla Complex, Bandra East, Mumbai 400 051.

BSE Limited, ("BSE")

Phiroze Jeejhabhoy Towers,

Dalal Street, Mumbai 400 001.

6. Stock Codes:

	Stock code
National Stock Exchange of India Limited	Speciality
BSE Limited	534425
ISIN	INE 247M01014

The Listing Fees have been paid to NSE and BSE for the financial year 2014-15.



7. Stock Market Data:

The high/low of the market price of the shares of the Company for the financial year 2013-14 is given below.

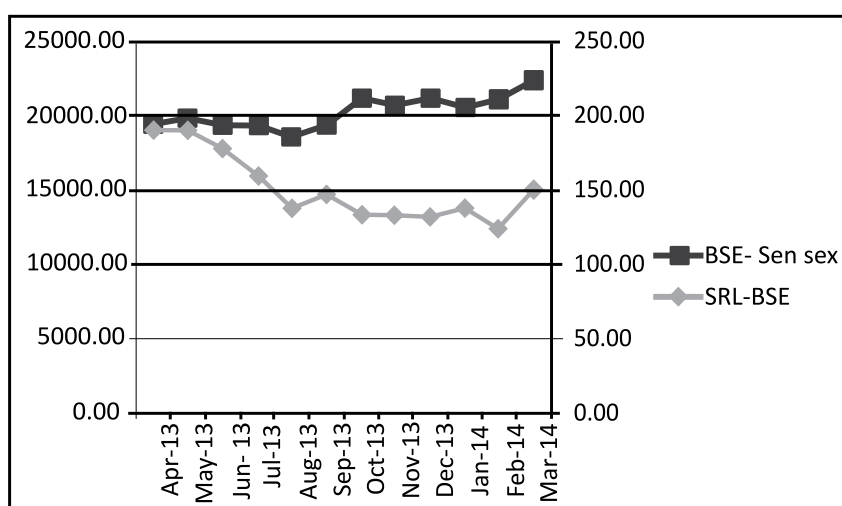
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Rs.	Low Rs.	Sensex Closing	High Rs.	Low Rs.	S&P CNX NIFTY (Closing)
April, 2013	191.00	163.60	19504.18	191.20	162.95	5930.20
May 2013	189.90	168.25	19760.30	189.00	168.00	5985.95
June 2013	178.50	150.00	19395.81	179.00	149.95	5842.20
July 2013	160.00	118.05	19345.70	160.00	118.10	5742.00
August 2013	138.00	108.10	18619.72	140.00	108.10	5471.80
September 2013	147.80	121.50	19379.77	147.45	118.10	5735.30
October 2013	132.50	118.35	21164.52	132.70	117.00	6299.15
November 2013	132.85	101.00	20791.93	133.50	101.30	6176.10
December 2013	131.00	117.00	21170.68	131.60	117.00	6304.00
January 2014	138.25	109.50	20513.85	138.40	109.30	6089.50
February 2014	124.55	109.00	21120.12	124.40	109.10	6276.95
March 2014	149.70	116.10	22386.27	147.70	116.55	6704.20

Sources: BSE- Sensex and NSE- S&P CNX Nifty

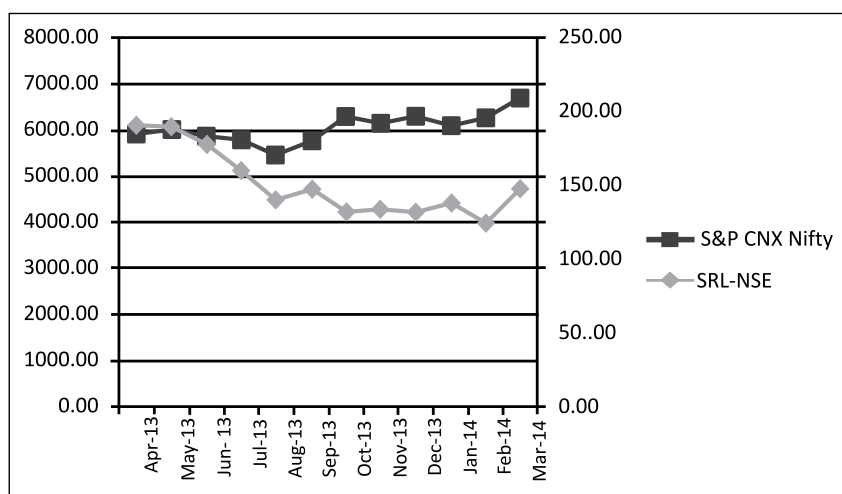
8. Stock Performance in comparison to broad based indices such as BSE Sensex, etc:

The performance of Speciality Restaurants Limited's ("SRL") Equity Shares relative to the BSE Sensex and S&P CNX NIFTY is given in the charts below:-

Stock Performance of SRL vs. BSE Sensex:



Stock Performance of SRL vs. S&P CNX NIFTY:



9. Registrar and Share Transfer Agents:

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West), Mumbai 400078.
Tel No. (91 22) 2594 6970-78 Fax No. (91 22) 2594 6969
E-mail: investor @ Linkintime.co.in.

10 (a). Distribution of Shareholding as on 31.03.2014:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1-500	14405	91.98	1464285	3.12
501-1000	665	4.25	527850	1.12
1001-2000	312	1.99	453951	0.97
2001-3000	89	0.57	225647	0.48
3001-4000	44	0.28	158619	0.34
4001-5000	39	0.25	182106	0.39
5001-10000	46	0.29	330011	0.70
10000 and above	61	0.39	43615188	92.88
Total	15661	100.00	46957657	100.00

b. Shareholding Pattern as on 31st March, 2014:

Category	No. of Share held	% of Share holding
Promoters and their relatives	28499962	60.69
Foreign Company	4997640	10.64
Foreign Institutional Investors	3761300	8.01
Mutual Funds	3037442	6.47
Venture Capital Funds	364995	0.78
Financial Institutions	16111	0.03
Non-Nationalised Banks	1669	0.00
Public and Others	6278538	13.38
Total	46957657	100.00

c. Top ten shareholders as on 31st March, 2014:

Name of the Shareholders	No. of Share held	% of Share holding
Mr. Anjan Chatterjee	16529905	35.20
Mrs. Suchhanda Chatterjee	11970000	25.49
M/s. SAIF III Mauritius Company Limited	4997640	10.64
M/s. SAIF Advisors Mauritius Limited A/C SAIF India IV FII Holdings Limited	2810403	5.99
M/s. Reliance Capital Trustee Company Limited A/C Reliance Equity Opportunities Fund	2442163	5.20
M/s. Napean Trading and Investment Co Pvt. Ltd	851557	1.81
Mr. Azim Hasham Premji	634346	1.35
M/s. East Springs Investments-India Equity Fund	608354	1.30
M/s. Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	595279	1.27
M/s. PI Opportunities Fund	364995	0.78
Total	41804642	89.03

11. Shares Transfer (Physical Form)

The Board has delegated the authority for approving the transfer, transmission, etc. of the Company's Equity Shares to the Shareholder/Investor Grievance and Share Transfer Committee (Stakeholders Relationship Committee) comprising of Mr. Susim Mukul Datta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee. The share certificates in physical form are generally processed and returned within 15 days from the date of receipt, if the documents are clear in all respects.

The Company obtains from a Company Secretaries half yearly certificate of compliance with regard to share transfer formalities as required under Clause 47 (c) of the Listing Agreement/s with the Stock Exchanges and files copies of the certificates with the Stock Exchanges.

Company conducts a Secretarial Audit on a quarterly basis in accordance with the Securities and Exchange Board of India requirements. M/s GMJ & Associates, Company Secretaries have been appointed by the Company to conduct such audit. The Secretarial Audit Reports of M/s. GMJ & Associates which have been submitted to the Stock Exchanges within the stipulated period, inter alia confirms that the equity shares of the Company held in dematerialised form and in physical form tally with the issued and paid-up equity share capital of the Company.



12. Dematerialisation of Shares:

As on 31st March, 2014, 4,69,57,553 Equity Shares representing 99.99 % of the paid-up Equity Share Capital have been dematerialised.

13. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity.

No GDRS/ADRS/Warrants or any convertible instruments have been issued by the Company during the financial year ended 31st March, 2014.

There were no warrants pending for conversion as on 31st March, 2014.

14. Locations of Restaurants and Confectionaries as on 31.03.2014:

Location of Company owned Company operated restaurants: - (COCO Model)

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	3A, Gurusaday Road, Uniworth House, Kolkata-700019.
2	Mainland China	South City Mall, Shop No.313, 3rd Floor, 375 Prince Anwar Shah Road, Kolkata-700068.
3	Mainland China	Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T1-T2 (EM Bypass), Kolkata-700105.
4	Oh! Calcutta	10/3, Elgin Road, 4th Floor, Forum Mall, Kolkata - 700020.
5	Oh! Calcutta	Silver Arcade, 3rd Floor, 5, J.B.S. Halden Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
6	Sigree	Silver Arcade, 1st Floor, 5, J.B.S. Halden Avenue, T-1, T-2, (EM PASS), Kolkata -700105.
7	Flame & Grill	Shop No 310, South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700068.
8	Flame & Grill	Mani Square, 4th Floor, Shop No. 403/404, 164/1 Manicktala Main Road, E.M.By Pass, Kolkata-700054.
9	Machaan	Mani Squire, 4th Floor, Shop No. 407, 164/1, Maniktala Main Road, EM Bypass, Kolkata - 700054.
10	Haka	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
11	Haka	Mani Square, 4th Floor, Shop No. 403/404, 164/1 Manicktala Main Road, E.M.By Pass, Kolkata-700054.
12	Shacks	Mani Square, 4th Floor, Shop No. 403/404, 164/1, Maniktala Main Road, EM Bypass, Kolkata - 700054.
13	Kix	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
14	Café Mezzuna	Forum Mall, 4th Floor, Shop No. 401 – 402, 10/3, Elgin Road, Kolkata - 700020.
15	Mainland China	Sakinaka Junction, Andheri Kurla Rd, Sakinaka, Mumbai - 400072.
16	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Rd, Andheri (W), Mumbai- 400053.
17	Mainland China	City Park, 1st Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076.
18	Mainland China	Suburbia Mall, 6th Floor, Linking Road, Bandra (West), Mumbai-400050.
19	Mainland China	Shop No.1, 2nd Floor, Block 'A', Sobo Central, Cross Road, Tardeo, Haji Ali, Mumbai-400034.
20	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
21	Mainland China	Unit No. S-00, Growels 101 Mall, Kandivali (East), Mumbai-400101.
22	Mainland China	R City Mall, 3 rd Floor, L.B.S Marg, Ghatkopar (West), Mumbai - 400086.
23	Mainland China	Viviana Mall, F-38, 1st Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606.
24	Mainland China	Plot No. 17/18, Restaurant-1, First Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703.
25	Oh! Calcutta	Hotel Rosewood, 99/c, Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.
26	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053.
27	Sigree	Plot No. 17/18, Restaurant-1, First Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703.
28	Sigree-Global Grill	Ventura Shopping, First Floor, Central Avenue, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
29	Sigree-Global Grill	Palm Spring, Unit No.812, 8th Floor, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064.
30	Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune - 411001.



Sr. No.	Name of the Restaurant	Address of the Restaurant
31	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
32	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
33	Mainland China	EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadaspur, Pune-411028.
34	Mainland China	Survey No 20/6/3, Hinjewadi Main Road, Mulshi, Near Hotel Courtyard Marriott, Hinjewadi, Pune-411057.
35	Sigree	City Tower, Dhole Patil Road, Pune-411011.
36	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune - 411007.
37	Mezzuna	Ground Floor, City Point, 17A, Boat Club Road, Pune 411001.
38	Hoppipola	Ground Floor, Shrinanda Residency, 126/2B, ITI Road, Aundh. Pune-411007.
39	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048.
40	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301.
41	Mainland China	Shop Nos. 6 – 10, Second Floor, Central Plaza, DLF Golf Course Road, Sector 53, Gurgaon-122002.
42	Oh! Calcutta	Ground Floor, Block “E”, American Plaza, International Trade Tower, Nehru Place, New Delhi-110019.
43	Oh! Calcutta	DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon-122002.
44	Mainland China	14, Church Street, Bengaluru - 560001.
45	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
46	Mainland China	136, First Cross, 5th Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095.
47	Mainland China	19, 5th Block, 5th Main Road, 40th Cross, Jayanagar, Bengaluru-560041.
48	Mainland China	Orion Mall, Brigade Gateway, 26/1, 80 Feet Road, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055.
49	Mainland China	28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
50	Mainland China	5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
51	Oh! Calcutta	15/16, House of Lords, St. Marks Road, Bengaluru – 560001.
52	Sigree Global Grill	28 /2, Primus Building, Siddapura, Whitefield Main Road, Bengaluru-560066.
53	Sigree Global Grill	2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
54	Hoppipola	No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru- 560038.
55	Mainland China	Hotel Tulip Aruna Complex, 144/145, Sterling Road, Nungambakkam, Chennai - 600034.
56	Mainland China	Ground and First Floor, No. 39, Bazullah Road, T.Nagar, Chennai-600017.
57	Mainland China	First Floor, 5/360, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai-600097.
58	Mainland China	Phoenix Market City, 1st Floor, Velachery Road, Chennai – 600042.
59	Sigree	Hotel Aruna Complex, 5th Floor, 144/145, Sterling Rd, Nungambakkam, Chennai-600034.
60	Sigree Global Grill	5/360, 1st Floor, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai 600097.
61	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
62	Mainland China	Plot No. 1 &2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
63	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
64	Sigree	Building No. 6-3-1186/1/1, First Floor, Near. ITC Kaktiya Hotel, Begumpet Road, Hyderabad-500020.
65	Kibbeh	Building No.6-3-1186/1/1, 4th Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
66	Flame & Grill	Shop No. G-74, Prozone Mall, Chikhalathana, Plot No. 80, Aurangabad-431210.
67	Mainland China	Caculo Mall, 4th Floor, Level 5, New Shanta, St.Inez, Panjim, Goa - 403001.
68	Mainland China	Dreams Hotel, S.A.Road, Ernakulam Junction, Cochin-682020.



Location of Franchise owned Company Operated Restaurants (FOCO Model)

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	4 th Floor, Dona Planet, G S Road, Guwahati-781005.
2	Machaan	4 th Floor, Dona Planet, G S Road, Guwahati – 781005.
3	Mainland China	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
4	Machaan	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
5	Flame & Grill	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
6	Mainland China	3rd Level, Centre Square Mall, Near Genda Circle, Sarabhai Road, Vadodara-390007.
7	Mainland China	A1/ (a), IRC Village, Nayapalli, Bhubaneswar-751015.
8	Mainland China	S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019.
9	Mainland China	Riverside Mall, Plot No. 3. 3 rd Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010.
10	Mainland China	Shop No.301, 3rd Floor, Junction Mall, City Center, Durgapur-713216.
11	Mainland China	Dunda Shahi Complex, Baker Ganj, Hatwa Market, Patna-800004.
12	Mainland China	Regent High Street Mall, 3rd Floor, Opp: IDBI Bank, Ghod Dod Road, Surat-395007.
13	Machaan	Regent High Street Mall, 3rd Floor, Opp. IDBI Bank, Ghod Dod Road, Surat-395007.
14	Mainland China	Gulmohar Mahal, 4th Floor, Satellite Road, Ahmedabad-380015.
15	Mainland China	Siam Tower, Road No.15, Sector 3, Uttara Model Town, Dhaka, Bangladesh
16	Mainland China	3rd Floor, Inland Galore, Kankanady Bye Pass Road, Mangalore-575002.
17	Mainland China	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagar Banerjee Ghat Road, Howrah-711102.
18	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagar Banerjee Ghat Road, Howrah-711102.
19	Mainland China	SCO 26, Sector-29, Gurgaon-122002.
20	Mainland China	Srinivasan Towers, NBR 5 Centhop Road, Chennai-600018.
21	Sigree	15, First Floor, Sardar Patel Road, Adyar, Chennai – 600020
22	Mainland China	D-3 Ground Floor, Malviya Marg, (City Corporate), C - Scheme, Jaipur 302001.
23	Mainland China	City Centre Mall, Next to Keys Hotel, Pune-Pimpri Highway, Pimpri, Pune 411018.
24	Sigree Global Grill	Fine Dine Ventures Pvt Ltd., City Center Mall, Next to Keys Hotel, Old Pune –Pimpri Highway, Pimpri, Pune 411018.

Confectionaries (Company Owned and Company Operated)

Sr. No.	Name of the Confectionary	Address Of The Confectionaries
1	Sweet Bengal	Shop No. 9, Saooli Bldg, Apt, Opp. Andheri Sports Complex, J. P. Road, Andheri (W), Mumbai-400058.
2	Sweet Bengal	Shop No. 8, Kenwood Bldg, Ambedkar Road, Bandra (W), Mumbai-400050.
3	Sweet Bengal	Shop No. 8, Fairlawn Co. Op. Hsg Society, Near Bahri Petrol Pump, Sion-Trombay Road, Chembur, Mumbai-400071.
4	Sweet Bengal	Shop No.30, Maker Arcade Towers Shopping Centre, Cuffee Parade, Mumbai-400005.
5	Sweet Bengal	Food Bazaar, Palladium Mall, Phoenix Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400016.
6	Sweet Bengal	29, Om Geeta Niwas, Shivaji Park, Mahim, Mumbai-400016.
7	Sweet Bengal	Shop No.4, Shivgaury Apts, Ahimsha Marg, Off.Link Road, Malad (W), Mumbai-400064.
8	Sweet Bengal	Shop No.10, Matru Hashish, Nepean Sea Road, Mumbai-400036.
9	Sweet Bengal	Shop No.126, Galleria Shopping Complex, Hiranandani Gardens, Powai, Mumbai-400076.
10	Sweet Bengal	2, Shaswat, M.G.Road, Opp: Jain Mandir, Vile Parle (E), Mumbai-400057.
11	Sweet Bengal	Plot No.17/18, Restaurant-1, 1 st Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400 703.
12	Sweet Bengal	L-12, Gokuldharm Shopping Center, Gokuldharm, Goregaon (East), Mumbai-400 063.
13	Sweet Bengal	Shop No.29, E.M.P. 52, Evershine Halley Co-operative Housing Society, Thakur Village, Kandivali East, Mumbai - 400 101.
14	Sweet Bengal	Queens Gate, Shop No.6, Ghodbunder Road, Hiranandani Estate, Thane-400 0607.



15. Address for correspondence:

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup West, Mumbai 400 078.

Tel. No. (91 22) 2594 6970-78. Fax No. (91 22) 2594 6969. Email. Investor@linkintime.co.in.

Shareholders may also write to or contact the Company Secretary at the Corporate Office at the following address for any assistance.

Mr. V.S.Satyamoorthy
Company Secretary
Speciality Restaurants Limited,
Morya Landmark I, 4th Floor,
B/25, Veera Industrial Estate, Off. New Link Road,
Andheri (West), Mumbai 400 053.
Tel. No. (91 22) 3341 6700 Fax No. (91 22) 3341 6878
E-Mail: investor@speciality.co.in or vss.moorthy@speciality.co.in

(B). Non-Mandatory Requirements:

a) Chairman of the Board

The Company has not maintained a Chairman's office for its Chairman who is a non-executive independent director.

b) Remuneration Committee:-

The Company has constituted a Remuneration Committee (Nomination and Remuneration Committee)

c) Shareholder Rights:-

The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading 'Means of Communication' and also put on the website of the Company. These results are not separately circulated.

Since the financial results are published in the newspapers having wide circulation, only the annual accounts are sent to each of the shareholders.

d) Audit Qualifications:-

The Auditors have issued an unqualified opinion for the year ended 31st March, 2014.

e) Training of Board Members:-

All the Directors have expertise in their areas of specialization.

f) Mechanism for evaluating Non-Executive Directors:-

The Company was not having any mechanism for evaluating the Non-Executive Directors as on March 31st, 2014.

g) Whistle Blower Policy:-

The Company has not adopted any policy relating to Whistle Blower as on March 31st, 2014.

14. Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. The said Code inter alia prohibits purchase/ sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and senior management of the Company have affirmed compliance with Code of Conduct of the Company for the financial year ended 31st March, 2014.

Anjan Chatterjee

Place: Mumbai

Date: 28th May, 2014

CERTIFICATION BY MD/EXECUTIVE DIRECTOR-FINANCE & CFO
(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)

To,
The Board of Directors of Speciality Restaurants Limited.

SUB: MD/EXECUTIVE DIRECTOR-FINANCE & CFO

Dear Sirs,

We have reviewed financial statements, read with the cash flow statement of **SPECIALITY RESTAURANTS LIMITED** for the year ended 31st March, 2014 and that to the best of our knowledge and belief, we state that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge or belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated wherever to the Auditors and Audit Committee:
 - (i) Significant changes in accounting policies during the year and that the same have been disclosed in the financial statements; and
 - (ii) There were no instances of significant fraud of which we have become aware.

Yours Sincerely

Anjan Chatterjee
Managing Director

Rajesh Kumar Mohta
Executive Director-Finance & CFO

Place: Mumbai
Date: 28th May, 2014



AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS SPECIALITY RESTAURANTS LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by **SPECIALITY RESTAURANTS LIMITED** for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

**For GMJ & Associates
Company Secretaries**

Sd/-
[P. MAHESWARI]
PARTNER
C. P. No. 1432
F. C. S. No. 2405

Place: Mumbai
Date: 28th May, 2014



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SPECIALITY RESTAURANTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Porus B. Pardiwalla

Partner

(Membership No. 40005)

MUMBAI, 28th May, 2014



Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business/activities/results during the year, clauses (iii), (vi), (viii), (x), (xii), (xiii), (xiv), (xv), (xviii) and (xix) of CARO are not applicable to the Company.
2. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of its inventories:
 - a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the Register, maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
7. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income tax, VAT, Wealth-tax, Service tax, Customs duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, VAT, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income Tax and VAT which have not been deposited as on 31st March, 2014 on account of disputes are given below:

(Rupees in Million)

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	9.45	2009-10	Commissioner
		5.48	2011-12	Commissioner
Bombay Sales tax Act, 1959	Sales Tax	0.10	1999-00	Sales tax Appellate Tribunal



8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions and debenture holders.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
10. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
11. The Management has disclosed the end use of money raised by public issue in the notes to the financial statements and we have verified the same.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Porus B. Pardiwalla
Partner
(Membership No. 40005)

MUMBAI, Dated : 28th May, 2014



BALANCE SHEET

Rs. In Millions

Particulars	Note No.		As at 31 March 2014		As at 31 March 2013
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3		469.58		469.58
(b) Reserves and Surplus	4		2,569.61		2,435.61
(2) Non-Current Liabilities					
(a) Long-term borrowings	5		6.24		1.01
(3) Current Liabilities					
(a) Short-term borrowings	6		-		0.00
(b) Trade payables	7		313.20		228.95
(c) Other current liabilities	8		129.93		71.73
(d) Short-term provisions	9		59.22		54.94
Total			3,547.78		3,261.82
II. Assets					
(1) Non-current assets					
(a) Fixed Assets	10				
(i) Tangible assets		1,038.41		834.75	
(ii) Intangible assets		19.75		11.96	
(iii) Capital work-in-progress		353.35	1,411.51	174.38	1,021.09
(b) Non-current investments	11		8.99		0.08
(c) Deferred tax asset			86.01		63.06
(d) Long term loans and advances	12		482.45		500.51
(2) Current assets					
(a) Current investments	13		1,100.38		1,364.30
(b) Inventories	14		47.43		28.25
(c) Trade receivables	15		196.51		114.56
(d) Cash and cash equivalents	16		130.75		98.03
(e) Short-term loans and advances	12		83.75		71.94
Total			3,547.78		3,261.82
Significant accounting policies	2				
The accompanying Notes 1 to 37 are an integral part of the financial statements					

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

P. B. PARDIWALLA
Partner

For and on behalf of the Board of Directors

Susim Mukul Dutta
Chairman

Anjan Chatterjee
Managing Director

Jyotin Mehta
Director

Rajesh Kumar Mohta
Executive Director - Finance & CFO

V.S.Satyamoorthy
Company Secretary

Place: Mumbai
Date: 28 May 2014

Place: Mumbai
Date : 28 May 2014



STATEMENT OF PROFIT AND LOSS

Rs. In Millions

Particulars	Note No.	For the year ended 31 March 2014	For the year ended 31 March 2013
I. Revenue from operations	17	2,638.46	2,269.24
II. Other Income	18	98.37	91.17
III. Total Revenue (I +II)		2,736.83	2,360.41
IV. Expenses:			
Cost of materials consumed	19	759.09	609.58
Employee benefits expense	20	612.48	512.84
Finance costs	21	0.74	4.97
Depreciation/amortization/impairment		190.31	149.27
Other expenses	22	927.26	778.92
Total Expenses		2,489.88	2,055.59
V. Profit before tax (III -IV)		246.95	304.82
VI. Tax expense / (credit):			
(1) Current tax	27	80.96	90.53
(2) Deferred Tax		(22.95)	(19.85)
VII.Profit for the year (V - VI)		188.94	234.14
VIII.Earnings per equity share (of Rs. 10/- each):			
(1) Basic (in Rs.)		4.02	5.17
(2) Diluted (in Rs.)		4.02	Refer Note 30
Significant accounting policies	2		
The accompanying Notes 1 to 37 are an integral part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

P. B. PARDIWALLA
Partner

For and on behalf of the Board of Directors

Susim Mukul Dutta
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Director

Rajesh Kumar Mohta
Executive Director - Finance & CFO

V.S.Satyamoorthy
Company Secretary

Place: Mumbai
Date: 28 May 2014

Place: Mumbai
Date : 28 May 2014



CASH FLOW STATEMENT

Rs. In Millions

PARTICULARS	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flow from Operating Activities		
Profit before tax	246.95	304.82
Adjustments for:		
Depreciation / Amortisation / Impairment	190.31	149.27
Loss on Sale of Fixed Assets	0.07	0.13
Profit on Sale of Fixed Assets	(0.05)	(0.19)
Finance costs	0.74	4.97
Interest from Banks/others	(5.17)	(5.81)
Dividend on current investments	(85.08)	(83.65)
Provision for doubtful debts & advances	20.20	19.85
Foreign Exchange Gain (net)	(1.14)	(0.45)
Excess credit balance written back (net)	(5.53)	(1.08)
Operating Profit before working capital changes	361.30	387.86
Adjustments for (increase)/decrease in operating assets		
Inventories	(19.18)	(8.01)
Trade receivables	(100.82)	(58.97)
Short-term loans and advances	(11.80)	9.81
Long-term loans and advances	(27.07)	(86.74)
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	92.69	20.02
Other current liabilities	55.36	1.57
Short-term provisions	-	(0.23)
Cash generated from operations	350.48	265.31
Net income tax paid	(86.15)	(94.91)
A. Net cash generated from operating activities (A)	264.33	170.40
B. Cash flow from Investing Activities		
Capital expenditure on fixed assets	(527.32)	(334.93)
Proceeds from Sale of fixed assets	0.40	0.77
Purchase of current investments	(1,863.13)	(4,463.31)
Proceeds from sale of current investments	2,127.04	3,249.31
Purchase of long-term investments	(8.91)	(0.03)
Interest received	2.86	5.52
Dividend received	85.08	83.65
Fixed Deposits held as security against Bank Gaurantees released	1.05	3.55
B. Net cash used in Investing Activities (B)	(182.93)	(1,455.47)
C. Cash flow from Financing Activities		
Proceeds from Issue of Equity Shares	-	1,760.91
Proceeds from long-term borrowings	7.98	-
Repayment of long-term borrowings	-	(220.27)
Repayment of other short-term borrowings	(0.00)	(69.80)
Finance costs	(0.74)	(4.97)
Share issue expenses	-	(126.35)
Dividend paid	(46.89)	-
Dividend tax paid	(7.98)	-
C. Net cash generated from Financing Activities (C)	(47.63)	1,339.52
Net Increase in cash and cash equivalents (A+B+C) = (D)	33.77	54.45
Cash and cash equivalents at the beginning of the year (E)	95.91	41.46
Cash and cash equivalents at the end of the year (D) +(E)	129.68	95.91
Reconciliation of Cash and cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet (Note 16)	130.75	98.03
Less: Fixed Deposits held as security against Bank Gaurantees	1.07	2.12
Cash and cash equivalents at the end of the year	129.68	95.91

The accompanying Notes 1 to 37 are an integral part of the financial statements
In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
P. B. PARDIWALLA
Partner

For and on behalf of the Board of Directors

Susim Mukul Dutta
Chairman
Jyotin Mehta
Director
V.S.Satyamoorthy
Company Secretary

Anjan Chatterjee
Managing Director
Rajesh Kumar Mohta
Executive Director - Finance & CFO

Place: Mumbai
Date: 28 May 2014

Place: Mumbai
Date : 28 May 2014



NOTES TO FINANCIAL STATEMENTS

1. COMPANY BACKGROUND

Speciality Restaurants Limited ("The Company") was incorporated on 1 December 1999. The Company is primarily engaged in the business of operating restaurant outlets / sweet shops.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of financial Statements

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

c) Fixed Assets and Depreciation/Amortization

Tangible Assets are stated at their cost of acquisition less accumulated depreciation and impairment losses.

Cost comprises of all costs incurred to bring the assets to their present location and working condition.

Assets acquired under finance leases are accounted for at the inception of the lease in accordance with Accounting Standard 19 on Leases at the lower of the fair value of the asset and present value of minimum lease payments.

Depreciation on assets is provided, pro-rata for the period of use, by the written down value method at the rates prescribed in Schedule XIV to the Act. Assets costing less than Rs. 5,000 are depreciated at 100%.

Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the asset.

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The depreciable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life.

Software is depreciated over the management's estimate of its useful life of five years.

Trademarks are amortized uniformly over a period of five years.

d) Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

e) Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on Accounting for Investments.

Current investments are stated at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

Long term investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.

f) Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

Revenue from restaurant and sweet shop sales (food and beverages) is recognized upon rendering of service. Sales are net of discounts. Value added tax is reduced from sales.

The Company also operates through franchise arrangements with third parties in terms of which the third parties are permitted to use the Company's established trademarks :

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a



restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchise agreement commences operations or not.

- Royalty and Management Fee charged to franchisees for the use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with restaurant sales.

Revenue from displays and sponsorships are recognized based on the period for which the products or the sponsor's advertisements are promoted/displayed.

In respect of gift vouchers and point awards scheme operated by the company, sales are recognized when the gift vouchers or points are redeemed on sale of meals to customers.

g) Inventories:

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost of materials is determined by the FIFO method.

h) Employee Benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Accounting Standard 15 on Employee Benefits.

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the Statement of Profit and Loss in the period in which the service is rendered.

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The company's obligation recognized in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Actuarial Gains and losses are recognized immediately in the Statement of Profit and Loss.

i) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction. Foreign currency monetary items of the Company are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

Exchange differences on forward exchange contracts, entered into for hedging foreign exchange fluctuation risk in respect of an existing asset/liability, are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Premium / Discount on forward exchange contracts is amortized over the period of the contract.

j) Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs are capitalized as part of the cost of the asset upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

k) Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to /recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

l) Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number

of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

m) Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and cost.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on the following basis, as applicable:

- i) A percentage of restaurant sales as provided for in the lease agreement
- ii) In the ratio of forecasted sales, over the balance lease period

n) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered bank balances.

o) Provisions and contingencies

Contingent Liabilities as defined in Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it becomes probable that an outflow of future economic benefits will be required to settle the obligation.

p) Employee share based payments

The Company has constituted an Employee Stock Option Plan under the ESOP 2012 scheme. Employee Stock Options granted are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

In accordance with the SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options over the exercise price is amortised on a straight-line basis over the vesting period.

3 Share Capital

Particulars	2013-2014		2012-2013	
	Number of shares	Rs. In Millions	Number of shares	Rs. In Millions
a. <u>Authorised</u>				
Equity Shares of the par value of Rs. 10 each	51,000,000	510.00	51,000,000	510.00
Compulsorily Convertible Preference Shares of the par value of Rs. 10 each	7,000,000	70.00	7,000,000	70.00
	58,000,000	580.00	58,000,000	580.00
b. <u>Issued & Subscribed</u>				
Equity Shares				
Equity Shares of Rs.10 each (Of the above shares, 6,689,118 equity shares are alloted as fully paid-up on Conversion of Compulsorily Convertible Preference shares) (Of the above shares, 27,029,124 equity shares are alloted as fully paid-up bonus shares by capitalisation of the Securities Premium Account)	46,957,657	469.58	46,957,657	469.58
(a) <u>Reconciliation of number of shares outstanding at the beginning and end of the year :</u>				
Outstanding at the beginning of the year	46,957,657		35,218,242	
Add: Issue of Equity Shares - Initial Public Offering	-		11,739,415	
Outstanding at the end of the year	46,957,657		46,957,657	



5 Long-term Borrowings

Rs. In Millions

Particulars	Non-Current Portion	
	2013-2014	2012-2013
Secured Loans		
Long term maturities of finance lease obligations		
Car Loans (Refer note 8 for current maturity details of the finance lease obligations)	6.24	1.01
1) <u>Details of Security</u> Secured by a specific charge on the assets purchased.		
2) <u>Repayment terms</u> a) Monthly Installments payable over a period of 36 - 60 months from respective loan disbursements b) Maturity with respect to the Balance Sheet date : 9 - 51 monthly installments due over the period April 14 - June 18		
	6.24	1.01

6 Short-Term Borrowings

Rs. In Millions

Particulars	2013-2014	2012-2013
Secured Loans		
Loans repayable on demand - From Banks (As at 31 March 2013 - Rs. 2,792)	-	0.00
a. <u>Details of Security</u> Secured by first and exclusive charge on all existing and future credit card receivables and personal guarantees of two Directors.		
b. <u>Repayment terms</u> Repayable on demand		
	-	0.00

7 Trade Payables

Rs. In Millions

Particulars	2013-2014	2012-2013
Other than Acceptances	313.20	228.95
	313.20	228.95
Note:		
Micro, Small and Medium Enterprises		
The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and receipt of confirmations from such parties. This has been relied upon by the auditors. The disclosures relating to Micro & Small Enterprises as at 31st March 2014 are as under:		
Description	Rs. In Millions	
	2013-2014	2012-2013
(i) Principal amount remaining unpaid to any supplier as at the end of the year	-	0.25
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



8 Other Current Liabilities

Rs. In Millions

Particulars	2013-2014	2012-2013
a. Current Maturities of Finance Lease obligations (Refer Note 5)	3.95	1.20
b. Income received in advance	0.88	-
c. Unpaid Dividend	0.07	-
d. Other Payables		
(i) Statutory remittances	39.14	33.84
(ii) Payables on purchase of fixed assets	60.13	21.09
(iii) Payable on account of Gratuity	1.53	9.45
(iv) Rent	24.17	5.16
(v) Others	0.06	0.99
	129.93	71.73

9 Short Term Provisions

Rs. In Millions

Particulars	2013-2014	2012-2013
a. For tax (net of advance tax Rs. 76.63 Million (As at 31 March 2013 Rs. Nil)	4.28	-
b. For Proposed Equity dividend	46.96	46.96
c. For tax on proposed dividend	7.98	7.98
	59.22	54.94

10 Fixed Assets

Rs. In Millions

PARTICULARS	Gross Block			Depreciation / Amortisation / Impairment				Net Block		
	Balance as at 1 April 2013	Additions	Deductions	Balance as at 31 March 2014	Balance as at 1 April 2013	For the year	Deductions	Balance as at 31 March 2014	Balance as at 31 March 2014	Balance as at 31 March 2013
Tangible Assets										
Land										
- Freehold	26.65	-	-	26.65	-	-	-	-	26.65	26.65
- Leasehold	51.92	-	-	51.92	2.68	0.51	-	3.19	48.73	49.24
Leasehold Improvements	470.90	202.23	24.99	648.14	153.69	74.90	24.99	203.60	444.54	317.21
Plant and Equipment	467.85	79.54	0.04	547.35	210.37	42.43	0.04	252.76	294.59	257.48
Furniture and Fixtures	390.83	80.20	-	471.03	228.98	55.04	-	284.02	187.01	161.85
Computers	46.16	6.36	-	52.52	37.07	5.39	-	42.46	10.06	9.09
Vehicles										
Owned	15.76	7.65	0.95	22.46	5.90	3.68	0.53	9.05	13.41	9.86
Taken under finance lease	5.17	13.03	-	18.20	1.80	2.97	-	4.77	13.43	3.37
Tangibles Total (A)	1,475.24	389.01	25.98	1,838.27	640.49	184.92	25.56	799.86	1,038.41	834.75
Intangible Assets										
Software	18.81	5.04	-	23.85	11.72	3.19	-	14.91	8.94	7.09
Patents and Trademarks	8.54	8.14	-	16.68	3.67	2.20	-	5.87	10.81	4.87
Intangibles Total (B)	27.35	13.18	-	40.53	15.39	5.39	-	20.78	19.75	11.96
TOTAL (A+B)	1,502.59	402.19	25.98	1,878.80	655.88	190.31	25.56	820.64	1,058.16	846.71
Previous Year	1,237.68	269.56	4.65	1,502.59	509.80	149.27	3.19	655.88	846.71	

Note:

Depreciation for the year includes impairment charge aggregating to Rs. 6.21 Million (previous year 1.7 Million)

11 Non Current Investments

Rs. In Millions

Particulars	2013-2014	2012-2013
Investments (At cost)		
A Trade Investments		
<u>Unquoted</u>		
Investment in equity instruments of a Joint Venture Company (490 Equity Shares of Mainland China Restaurant (LLC) of QAR 1,000 each, fully paid up)	8.88	-
B Other Investments		
<u>Unquoted</u>		
Investment in Government or Trust Securities (NSC - deposited with Government Authorities)	0.11	0.08
	8.99	0.08



12 Loans and advances (Unsecured, considered good - unless otherwise stated)

Rs. In Millions

Particulars	Long term		Short term	
	2013-2014	2012-2013	2013-2014	2012-2013
a. Capital Advances	32.77	86.60	-	-
b. Security deposits				
- Premises and Other Deposits	414.53	385.75	6.00	4.04
(See note (ii) below)				
c. <u>Other loans and advances</u>				
(See note (i) below)				
Loans to employees	18.81	20.48	9.30	6.24
Advances to Suppliers and others	6.10	3.65	44.10	40.86
Advance income tax (net of provision for tax Rs. 18.50 Million (As at 31 March 2013 Rs. 18.50 Million)	11.34	1.86	-	-
Balances with government authorities	1.78	1.78	6.52	2.60
Prepayments and others	2.79	3.61	17.83	18.20
Less: Provision for Doubtful Loans and Advances	5.67	3.22	-	-
	35.15	28.16	77.75	67.90
	482.45	500.51	83.75	71.94

Note:

	Long term		Short term	
	2013-2014	2012-2013	2013-2014	2012-2013
(i) Considered Good				
Loans to employees	18.81	20.48	9.30	6.24
Advance to Suppliers and others	0.43	0.43	44.10	40.86
Income Taxes (Net)	11.34	1.86	-	-
Balances with government authorities	1.78	1.78	6.52	2.60
Prepayments and others	2.79	3.61	17.83	18.20
Total	35.15	28.16	77.75	67.90
Considered Doubtful				
Advance to Suppliers and others	5.67	3.22	-	-
Total	5.67	3.22	-	-
(ii) Premises and other deposits include amounts due from:				
Particulars	2013-2014		2012-2013	
<u>Directors</u>				
Anjan Chatterjee	1.50	1.50		
Suchhanda Chatterjee	1.50	1.50		
Anjan Chatterjee (HUF)	1.60	1.60		
<u>Private Companies in which a director is a director or member</u>				
Situations Advertising & Marketing Services Private Limited	50.00	50.00		
Havik Exports Private Limited	4.50	4.50		
Prosperous Promotors Private Limited	28.11	28.11		
Shruthi Hotels Enterprises Private Limited	3.00	3.00		

13 Current Investments

Rs. In Millions

Particulars	2013-2014			2012-2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investment in Mutual Funds (At lower of cost and fair value)						
Reliance Liquid Plan - Treasury Plan - Direct Plan - Daily Dividend - Re-investment	-	17.97	17.97	-	-	-
11,754 (As at 31 March 2013 - Nil) units of Rs. 1,000 each						
Franklin Templeton India Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment	-	69.38	69.38	-	65.00	65.00
6,687,110 (As at 31 March 2013 - 6,266,872) units of Rs. 10 each						



Particulars	2013-2014			2012-2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Franklin Templeton India Low Duration Fund - Monthly Dividend - Re-investment 1,029,623 (As at 31 March 2013 - 964,766) units of Rs. 10 each	-	10.68	10.68	-	10.00	10.00
Franklin Templeton India short term income retail plan - Direct Plan - Monthly Dividend - Re-investment 173,597 (As at 31 March 2013 - 162,802) units of Rs. 1,000 each	-	202.65	202.65	-	190.00	190.00
Franklin Templeton India short term income retail plan - Monthly Dividend - Re-investment 9,150 (As at 31 March 2013 - 8,578) units of Rs. 1,000 each	-	10.67	10.67	-	10.00	10.00
UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (Formerly Daily Dividend Re-investment) 100 (As at 31 March 2013 - 100) units of Rs. 1,000 each	-	0.11	0.11	-	0.11	0.11
Birla Sun Life Floating Rate -Long Term - - Regular Plan -Daily Dividend Re-investment 1,052,582 (As at 31 March 2013 - 999,919) units of Rs. 100 each	-	107.25	107.25	-	100.15	100.15
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend - Re-investment 2,977,340 (As at 31 March 2013 - Nil) units of Rs. 10 each	-	30.56	30.56	-	-	-
ICICI Prudential FMP Series 72 - 368 Days - Plan D - Direct Plan - Dividend Payout 13,000,000 (As at 31 March 2013 - Nil) units of Rs. 10 each	130.00	-	130.00	-	-	-
Reliance Interval Fund - Quarterly Plan - Series I - Direct Plan - Dividend Payout 19,957,690 (As at 31 March 2013 - Nil) units of Rs. 10 each	200.00	-	200.00	-	-	-
Reliance Fixed Horizon Fund - Xxv Series - 29 - Direct Plan - Dividend Payout 10,000,000 (As at 31 March 2013 - Nil) units of Rs. 10 each	100.00	-	100.00	-	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment 2,021,922 (As at 31 March 2013 - Nil) units of Rs. 10 each	-	20.38	20.38	-	-	-
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend - Re-investment 198,759 (As at 31 March 2013 - Nil) units of Rs. 10 each	-	200.73	200.73	-	-	-
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 29,988) units of Rs. 100 each	-	-	-	-	3.17	3.17
Kotak Floater Long Term - Daily Dividend - Re-investment 3,022,250 (As at 31 March 2013 - 2,885,843) units of Rs. 10 each	-	-	-	-	29.09	29.09
UTI Treasury Advantage Fund - Institutional plan - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 227,087) units of Rs. 1,000 each	-	-	-	-	227.14	227.14



Particulars	2013-2014			2012-2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Axis Liquid Fund - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 537) units of Rs. 1,000 each	-	-	-	-	0.54	0.54
Kotak Liquid Scheme plan A - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 12,854) units of Rs. 1,000 each	-	-	-	-	15.72	15.72
Reliance Money Manager Fund - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 411,698) units of Rs. 1,000 each	-	-	-	-	412.26	412.26
ICICI Prudential interval fund Quarterly interval plan I - Direct plan - Dividend payout Nil (As at 31 March 2013 - 2,502,220) units of Rs. 10 each	-	-	-	25.02	-	25.02
IDFC Fixed Term Plan Direct Plan Series 7-Quarterly Dividend 15,007,972 (As at 31 March 2013 - 15,007,972) units of Rs. 10 each	-	-	-	150.08	-	150.08
SBI Magnum Income Fund Floating Rate Long Term - Direct Plan - Daily Dividend - Re-investment Nil (As at 31 March 2013 - 10,302,386) units of Rs. 1,000 each	-	-	-	-	103.75	103.75
Sundaram Flexible fund - Short Term Plan - Regular Daily Dividend - Re-investment 2,215,213 (As at 31 March 2012 - Nil) units of Rs. 10 each	-	-	-	-	22.27	22.27
Total Book Value	430.00	670.38	1,100.38	175.10	1,189.20	1,364.30
Note:						
Market Value	431.37			176.31		

14 Inventories (At lower of cost and net realisable value)

Rs. In Millions

Particulars	2013-2014	2012-2013
<u>Inventories</u>		
Food and beverage materials	38.79	23.13
Cutlery, crockery & other consumables	8.64	5.12
	47.43	28.25

15 Trade Receivable (Unsecured)

Rs. In Millions

Particulars	2013-2014	2012-2013
Outstanding for a period exceeding six months from the due date of payment		
- Considered good	54.36	38.04
- Considered doubtful	34.85	17.75
Others		
- Considered good	142.15	76.52
- Considered doubtful	-	-
	231.36	132.31
Less: Provision for doubtful trade receivables	34.85	17.75
	196.51	114.56

16 Cash and Cash Equivalents

Rs. In Millions

Particulars	2013-2014	2012-2013
a. Cash on Hand	4.85	6.10
b. Balances with Banks:		
In Current Accounts	78.91	28.33
In Fixed Deposit account	46.99	63.60
	130.75	98.03
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	129.68	95.91



Note:

- 1) Balances with banks include fixed deposits aggregating Rs. 1.54 Million (As at 31 March 2013 - Rs. 1.76 Million which have remaining maturity of more than 12 months from the balance sheet date.
- 2) Fixed Deposits aggregating to Rs. 1.07 Million (As at 31 March 2013 - Rs. 2.12 Million) are held by bank as security against Bank Guarantees.

17 Revenue from Operations**Rs. In Millions**

Particulars	For the Year ended	
	2013-2014	2012-2013
<u>Sale of Services</u>		
a. Income from sale of food and beverages	2,458.50	2,148.29
b. <u>Franchise Income</u>		
- Initial Access Premium	121.00	63.94
- Royalty and Management Fees	50.54	51.18
c. <u>Other Operating Income</u>		
Designing & Consulting Fees	-	4.94
Income from Display & Sponsorship	7.50	-
Sale of Scrap	0.92	0.89
	2,638.46	2,269.24

18 Other Income**Rs. In Millions**

Particulars	2013-2014	2012-2013
<u>Interest received from Banks/Others</u>		
- Interest from bank on fixed deposit	1.90	2.31
- Other interest	3.27	3.50
Dividend on current investments	85.08	83.65
Foreign exchange gain (Net)	1.14	0.32
Excess Credit balances written back (Net)	5.53	1.08
Miscellaneous Income	1.45	0.31
	98.37	91.17

19 Cost of materials consumed**Rs. In Millions**

Particulars	2013-2014	2012-2013
<u>Food & Beverages</u>		
Opening Stock	28.25	20.24
Add: Purchases	778.27	617.59
	806.52	637.83
Less: Closing Stock	47.43	28.25
	759.09	609.58

20 Employee Benefits Expense**Rs. In Millions**

Particulars	2013-2014	2012-2013
Salaries, Bonus and Allowances	506.23	415.08
Contribution to Provident and Other Funds	23.03	29.14
Staff Welfare Expenses	83.22	68.62
	612.48	512.84

Note: Employee Benefits

- a. Defined Contribution plan:

Rs. In Millions

Particulars	2013-2014	2012-2013
Company's Contribution to Provident fund	21.50	19.70



b. Defined Benefit Plans:

Rs. In Millions

Particulars	Gratuity	
	2013-2014	2012-2013
a) Liability recognised in the balance sheet		
Present value of obligation		
As at the beginning of the year	33.66	24.00
Service Cost	7.75	5.90
Interest Cost	3.13	2.45
Actuarial (Gain) / Loss on obligation	(7.31)	2.88
Benefits paid	(2.46)	(1.57)
As at the end of the year	34.77	33.66
Less: Fair Value of Plan Assets		
Opening Fair value of Plan Assets	24.21	12.52
Expected Return on Plan Assets	2.46	1.46
Actuarial (Gain) / Loss	(0.42)	0.32
Contribution by Employer	9.45	11.48
Benefits Paid	(2.46)	(1.57)
Closing Fair value of Plan Assets	33.24	24.21
Net Liability	1.53	9.45
b) Expense during the year		
Service Cost	7.75	5.90
Interest Cost	3.13	2.45
Expected return on Plan Assets	(2.46)	(1.46)
Actuarial (Gain) / Loss	(6.89)	2.56
Total	1.53	9.45
c) Breakup of Plan Assets as a percentage of total Plan Assets		
Insurer Managed Funds	100%	100%
d) Expected rate of return on Plan Assets		
Insurer Managed Funds	9.15%	9.15%
e) Principal Assumptions		
Discount rate	9.30%	7.95%
Salary escalation	6%	6%
<u>Attrition rate</u>		
From Age bracket 21 to 57 years	1% - 15%	1% - 15%

The company expects to contribute Rs 1.53 Million (previous year Rs. 9.45 Million) to its Gratuity plan for the next year. In assessing the Company's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables, the base being the LIC 2006-08 ultimate tables.

The Company operates a funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to gratuity benefits based on final salary at retirement. The Company makes provision in the books based on third party actuarial valuations.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other Disclosures:

Rs. In Millions

Particulars	As at	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined Benefit Obligation		34.77	33.66	24.00	21.92	17.33
Plan Assets		33.24	24.21	12.52	8.70	6.16
Surplus/(Deficit)		(1.53)	(9.45)	(11.48)	(13.22)	(11.16)
Experience Adjustments on Plan Liabilities		(2.95)	0.99	(3.54)	(0.29)	(0.84)
Experience Adjustments on Plan Assets		(0.42)	0.32	0.15	0.02	(0.02)



21 Finance Costs

Rs. In Millions

Particulars	2013-2014	2012-2013
Interest on finance lease obligation	0.74	0.33
Interest on borrowings	-	4.64
	0.74	4.97

22 Other Expenses

Rs. In Millions

Particulars	2013-2014	2012-2013
Rent (Refer note 25)	391.09	336.58
Power and Fuel	139.86	111.08
Rates, Taxes and Licence Fee	44.66	34.83
Operating Supplies	76.07	55.96
Insurance	2.19	1.69
Advertisement and Marketing Expenses (net of recoveries)	28.76	25.69
Payment to Auditors (Refer Note below)	4.15	3.10
Repairs and Maintenance - Machinery	19.60	16.81
Repairs and Maintenance - Building	53.41	46.41
Repairs and Maintenance - Others	24.09	19.15
Miscellaneous Expenses	143.38	127.62
	927.26	778.92
Note:		
<u>Payment to the auditors comprises:</u>		
As auditor - statutory audit	3.15	2.70
For tax matters	0.80	0.40
For certification	0.20	-
	4.15	3.10

23 Contingent Liabilities and Commitments (To the extent not provided for)

Rs. In Millions

Particulars	2013-2014	2012-2013
<u>Contingent Liabilities in respect of:</u>		
Claims against the company not acknowledged as debts		
a. Legal cases against the company	167.18	167.18
b. Sales Tax demands	0.27	17.44
c. Income Tax demands	23.92	21.37
	191.37	205.99
Other matters		
Indirect taxes	16.13	-
<u>Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	75.27	53.72
	75.27	53.72

24 Derivative Instruments

There are no outstanding forward contracts as at 31 March 2014 and 31 March 2013.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	2013-2014	2012-2013
Amounts receivable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Royalty and Management fees receivable	USD 159,831	USD 180,194
Reimbursement of Expenses	USD 32,832	USD 31,161
	USD 192,663	USD 211,355



Particulars	2013-2014	2012-2013
<u>Amount in INR (In Millions)</u>		
Royalty and Management fees receivable	9.61	9.80
Reimbursement of Expenses	1.97	1.69
	11.58	11.49
Amounts payable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Trademark and registration fees	USD 19,816	USD 8,524
	CND 1,265	CND 482
	-	POUND 1,509
	YEN 240,560	YEN 263,140
	SGD 995	-
<u>Amount In INR (In Millions)</u>		
Trademark and registration fees	1.46	0.74
	1.46	0.74

25 Disclosures in respect of Operating leases

- a) Future minimum lease payments in respect of non-cancellable leases are as follows:

Rs. In Millions

Particulars	2013-2014	2012-2013
Payable not later than one year	124.10	100.27
Payable later than one year but not later than five years	126.92	146.81
Payable later than five years	-	-
	251.02	247.08

- b) Lease payments recognized in the Statement of Profit and Loss for the year ended March 31, 2014 are as under:
Fixed lease rentals – Rs. 333.56 Million (Previous Year Rs. 286.59 Million)
Contingent rent – Rs. 57.53 Million (Previous Year Rs. 49.99 Million)
- c) Premises are taken on Lease for periods ranging from 1 to 50 years with a non- cancellable period at the beginning of the agreement ranging from 1 to 5 years
- d) For certain restaurant outlets rent is payable in accordance with the leasing agreement at the higher of:
- Fixed minimum guarantee amount and;
 - Revenue share percentage

26 Disclosures in respect of Finance Leases

- a) The total of minimum lease payments and their present value in respect of assets taken on finance lease are as follows:

Rs. In Millions

Particulars	2013-2014	2012-2013
<u>Due not Later than one year</u>		
Total future minimum lease payments	4.76	1.38
Less: Finance charge on future lease payments	0.81	0.18
Present value of lease payments	3.95	1.20
<u>Due later than one year but not later than five years</u>		
Total future minimum lease payments	6.96	1.06
Less: Finance charge on future lease payments	0.72	0.05
Present value of lease payments	6.24	1.01

- b) Vehicles are taken on lease for periods ranging from 3 to 5 years.

27 Taxation

- a. Current Tax comprises of:

Rs. In Millions

Particulars	2013-2014	2012-2013
Income Tax of Current year	80.92	90.53
Tax adjustments of earlier years	0.04	-
	80.96	90.53



b. Components of Deferred Tax Asset

Rs. In Millions

Particulars	2013-2014	2012-2013
Deferred Tax Asset		
Depreciation	64.03	50.68
Allowable on payment basis	8.22	5.25
Others	13.76	7.13
	86.01	63.06

28 Related Party Disclosures:

List of Related parties and their relationships

Sr.No	Category of related parties	Names
1	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee
2	Enterprises over which directors or relatives of directors exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P)Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
3	Jointly controlled entity	Mainland China Restaurant (LLC)
4	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

Rs. In Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Jointly controlled entity	Relatives of Key Management personnel	Total
Transactions during the year ended 31/03/2014					
Interest Income					
Prosperous Promoters Private Limited	-	-	-	-	-
	-	(2.61)	-	-	(2.61)
Total	-	-	-	-	-
	-	(2.61)	-	-	(2.61)
Remuneration					
Mr. Anjan Chatterjee	6.00	-	-	-	6.00
	(3.35)	-	-	-	(3.35)
Mrs. Suchhonda Chatterjee	3.15	-	-	-	3.15
	(1.88)	-	-	-	(1.88)
Mr. Indroneil Chatterjee	3.15	-	-	-	3.15
	(1.73)	-	-	-	(1.73)
Total	12.30	-	-	-	12.30
	(6.96)	-	-	-	(6.96)
Rent and other expenses paid					
Situations Advertising & Marketing Services Private Limited					
- Rent	-	35.00	-	-	35.00
	-	(35.99)	-	-	(35.99)
- Advertisement Expenses	-	20.36	-	-	20.36
	-	(64.23)	-	-	(64.23)



Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Jointly controlled entity	Relatives of Key Management personnel	Total
- Retainership Fees	-	1.35	-	-	1.35
	-	(1.27)	-	-	(1.27)
Others					
- Rent	3.09	14.21	-	-	17.30
	(3.18)	(14.65)	-	-	(17.83)
Total	3.09	70.92	-	-	74.01
	(3.18)	(116.13)	-	-	(119.32)
Other transactions					
Advances given including interest					
Mainland China Restaurant (LLC)	-	-	1.04	-	1.04
	-	-	-	-	-
Properous Promoters private Limited	-	-	-	-	-
	-	(2.35)	-	-	(2.35)
Total	-	-	1.04	-	1.04
	-	(2.35)	-	-	(2.35)
Investment made in Joint Venture Company					
Mainland China Restaurant (LLC)	-	-	8.88	-	8.88
	-	-	-	-	-
Total	-	-	8.88	-	8.88
	-	-	-	-	-
Advances repaid including adjustments against dues					
Properous Promoters private Limited	-	-	-	-	-
	-	(2.27)	-	-	(2.27)
Total	-	-	-	-	-
	-	(2.27)	-	-	(2.27)
Security Deposit Given					
Properous Promoters private Limited	-	-	-	-	-
	-	(23.11)	-	-	(23.11)
Others	-	-	-	-	-
	-	(1.80)	-	-	(1.80)
Total	-	-	-	-	-
	-	(24.91)	-	-	(24.91)
Unsecured loan repaid					
Anjan Chatterjee	-	-	-	-	-
	(21.55)	-	-	-	(21.55)
Suchhonda Chatterjee	-	-	-	-	-
	(22.97)	-	-	-	(22.97)
Others	-	-	-	-	-
	-	(2.06)	-	(9.24)	(11.30)
Total	-	-	-	-	-
	(44.52)	(2.06)	-	(9.24)	(55.82)
Balances as at 31/03/2014					
Trade payables					
Situations Advertising & Marketing Services Private Limited	-	5.98	-	-	5.98
	-	(9.68)	-	-	(9.68)
Shruthi Hotels Enterprises Private Limited	-	3.27	-	-	3.27
	-	(3.74)	-	-	(3.74)
Prosperous Promoters Private Limited	-	1.55	-	-	1.55



Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Jointly controlled entity	Relatives of Key Management personnel	Total
	-	(1.55)	-	-	(1.55)
Others	1.48	1.52	-	-	3.00
	(1.48)	(1.52)	-	-	(3.00)
Total	1.48	12.32	-	-	13.80
	(1.48)	(16.49)	-	-	(17.97)
Investment in Joint Venture Company					
Mainland China Restaurant (LLC)	-	-	8.88	-	8.88
	-	-	-	-	-
Total	-	-	8.88	-	8.88
	-	-	-	-	-
Advances					
Mainland China Restaurant (LLC)	-	-	1.04	-	1.04
	-	-	-	-	-
Total	-	-	1.04	-	1.04
	-	-	-	-	-
Security deposits					
Situations Advertising & Marketing Services Private Limited	-	50.00	-	-	50.00
	-	(50.00)	-	-	(50.00)
Prosperous Promotors Private Limited	-	28.11	-	-	28.11
	-	(28.11)	-	-	(28.11)
Others	3.00	9.10	-	-	12.10
	(3.00)	(9.10)	-	-	(12.10)
Total	3.00	87.21	-	-	90.21
	(3.00)	(87.21)	-	-	(90.21)

Figures in paranthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March 2013 in relation to the Balance Sheet

29 Employee Stock Option Scheme

- a) During the current year, the Board Governance & Remuneration committee in its meeting held on 6 September 2013 granted 577,200 stock options under the Speciality Restaurants Limited - Employee Stock Option Scheme 2012 (ESOP 2012 Scheme) to few eligible employees of the Company. The options allotted under the ESOP 2012 scheme are convertible into equal number of equity shares of the face value of Rs. 10 each. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.
- b) **Shares reserved for issue under ESOP**

	2013-2014	2012-2013
Equity shares of Rs. 10 each (number of shares)	577,200	-

c) **Terms and Conditions of Options Granted**

Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of Rs. 10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the ESOP 2012 Scheme.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of option	25% vests
On completion of 24 months from the date of grant of option	25% vests
On completion of 36 months from the date of grant of option	25% vests
On completion of 48 months from the date of grant of option	25% vests

The exercise price per option, being the fair market price at the date of grant, is Rs. 126.20 for 1 share of the face value of Rs. 10 each.

- d) Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year ended 31 March 2014		During the year ended 31 March 2013	
	Options	Weighted average exercise price per option (₹)	Options	Weighted average exercise price per option (₹)
Options outstanding at the beginning of the year:	-	-	-	-
Granted during the year:	577,200	126	-	-
Vested during the year:	-	-	-	-
Exercised during the year:	-	-	-	-
Lapsed during the year:	61,900	-	-	-
Options outstanding at the end of the year:	515,300	126	-	-
Options available for grant:	-	-	-	-

Weighted average remaining contractual life for options outstanding as at 31 March 2014 is 4.94 years (As at 31 March 2013 Nil)

- e) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Rs. In Millions (except as stated otherwise)

Particulars	For the year ended 31 March 2014 ₹	For the year ended 31 March 2013 ₹
Profit (as reported)	188.94	234.14
Less: stock based employee compensation (intrinsic value)	-	-
Less: stock based compensation expenses determined under fair value method for the grants issued (See note (f) below)	3.55	-
Net Profit (proforma)	185.39	234.14
Basic earnings per share (as reported) (in Rs.)	4.02	5.17
Basic earnings per share (proforma) (in Rs.)	3.95	-
Diluted earnings per share (as reported) (in Rs.)	4.02	-
Diluted earnings per share (proforma) (in Rs.)	3.95	-

- f) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March 2014	31 March 2013
Risk Free Interest Rate	8.85%	-
Expected Life	4.00	-
Expected Annual Volatility of Shares	36.47%	-
Expected Dividend Yield	0.79%	-

30 Earnings per Share

Rs. In Millions (except as stated otherwise)

	2013-2014	2012-2013
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	188.94	234.14
Weighted Average Number of Equity Shares for Basic Earnings per share (See Note (ii) below)	46.96	45.25
Basic Earnings Per Share (in Rs.)	4.02	5.17
Diluted Earnings Per Share (in Rs.)	4.02	See note (i) below
Fair value / Nominal value per share (in Rs.)	10	10

Note (i) : There is no dilution to the Basic EPS as there are no outstanding potentially dilutive equity shares.

Note (ii) : Weighted Average Number of Equity Shares for Basic Earnings per share

Rs. In Millions

Particulars	2013-2014	2012-2013
Weighted Average Number of shares outstanding at the beginning of the year	46.96	35.22
Weighted Average number of equity shares consequent to issue of equity shares through the Initial Public Offering	-	10.03
Weighted Average Number of shares outstanding at the end of the year	46.96	45.25



31 Earnings in Foreign Currency**Rs. In Millions**

Particulars	2013-2014	2012-2013
Royalty and Management Fees	-	3.27
Total	-	3.27

32 Expenditure in Foreign Currency**Rs. In Millions**

Particulars	2013-2014	2012-2013
Legal and Professional Fees	2.23	7.85
Travelling and Conveyance	0.37	0.35
Trademark and registration fees	5.22	1.40
Total	7.82	9.60

33 Value of Imported Goods on CIF basis**Rs. In Millions**

Particulars	2013-2014	2012-2013
Capital Goods	13.97	0.72

34 Interest in Joint Venture

The Company's Interest, as a venturer in the jointly controlled entity is reported as a Long term Investments (Refer Note 11) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. related to it's interest in the Joint venture is as under:

Name	Amount of interest based on accounts for the year ended 31 March, 2014						
	% of Interest	Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Mainland China Restaurant (LLC) Doha (Qatar)	49%	11.18	3.14	-	-	-	-
	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)

Note: Figures in paranthesis relate to the previous year.

35 Segment Reporting

The Company is engaged in the food business which, in the context of Accounting Standard 17 on Segment Reporting constitutes a single reportable business segment. As at 31 March 2014, Fixed Assets (Capital Work In Progress) include Rs 183.74 Million, (segment assets) (As at 31 March 2013, Rs. 89.93 Million) related to non-reportable segments.

36 Utilisation of IPO Proceeds as on 31 March 2014

The Company had issued equity shares amounting to Rs. 1,760.91 Million for purposes of development of new restaurants and a food plaza, repayment of term loans and general corporate purposes. As at 31 March 2014, an amount aggregating Rs. 844.10 Million has been utilised in development of new restaurants, repayment of term loan facilities and issue related expenses and an amount of Rs. 916.80 Million is pending utilisation in future periods. The unutilised amount has temporarily been invested by the company in mutual funds and term deposits with banks.

37 Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Susim Mukul Dutta
Chairman

Anjan Chatterjee
Managing Director

Jyotin Mehta
Director

Rajesh Kumar Mohta
Executive Director - Finance & CFO

V.S.Satyamoorthy
Company Secretary

Place: Mumbai
Date : 28 May 2014



[illegible]

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

SPECIALITY RESTAURANTS LIMITED

Registered Office: Uniworth House, 3A, Gurusaday Road, Kolkata 700019.

Corp. Office: Morya Landmark I, 4th Floor, B/25, Veera Industrial Estate, Off. New Link Road, Andheri West, Mumbai- 400053.

Corporate Identity Number:- L55101WB1999PLC090672, Website: www.speciality.co.in Email: corporate@speciality.co.in

ATTENDANCE SLIP

(Please handover at the entrance of the Meeting Hall)

15th Annual General Meeting on September 15, 2014 at Kolkata.

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company held at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata- 700 046 on Monday **September 15, 2014 at 11.00 a.m.**

Full name of the Member (IN BLOCK LETTERS) _____

Folio No. _____ DPID* _____ Client ID* _____ Shares held _____

Full name of Proxy (IN BLOCK LETTERS) _____

Member's/ Proxy's Signature

*Applicable for investors holding shares in dematerialised form.

Note:- Your entry to the Meeting will be regulated by this attendance slip.

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Corporate Identity Number:- L55101WB1999PLC090672, Website: www.speciality.co.in Email: corporate@speciality.co.in

FORM NO. MGT-11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered Address :

E-mail ID :

Folio No./Client ID :

DP ID :

I/We being the Member (s) of _____ equity shares of Rs. 10 each of Speciality Restaurants Limited, hereby appoint:-

1. Name :
Address :
E-mail Id : _____ Signaure _____ or failing him
2. Name :
Address :
E-mail Id : _____ Signaure _____ or failing him
3. Name :
Address :
E-mail Id : _____ Signaure _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on Monday, September 15, 2014 at 11.00 a.m. at Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata- 700 046. and at any adjournment thereof, in respect of the resolutions, as indicated below:

Resolution Nos.

1. Adoption of the Profit and Loss Account for the year ended March 31, 2014 and the Audited Balance Sheet as on that date.
2. Declaration of dividend for the Financial Year ended March 31, 2014.
3. Re-Appointment of Mr. Vishal Sood (DIN: 01780814) as a non-executive director.
4. Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, having Registration No. 117366W/W-100018 as the auditors of the Company and to fix their remuneration.
5. Appointment of Mr. Susim Mukul Datta (DIN: 00032812) as an Independent Director for a term of five years from April 1, 2014 upto March 31, 2019.
6. Appointment of Mr. Jyotin Mehta (DIN: 00033518) as an Independent Director for a term of five years from April 1, 2014 upto March 31, 2019.
7. Appointment of Mr. Tara Sankar Bhattacharya (DIN: 00157305) as an Independent Director for a term of five years from April 1, 2014 upto March 31, 2019.
8. Appointment of Mr. Dushyant Mehta (DIN: 00126977) as an Independent Director for a term of five years from April 1, 2014 upto March 31, 2019.
9. Amendment of Articles of Association.

Signed this _____ day of _____ 2014.

Signature of the Member(s): _____

Signature of the Proxy holder (s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
Revenue
Stamp



SPECIALITY
RESTAURANTS LTD.

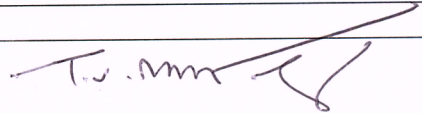
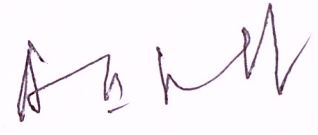

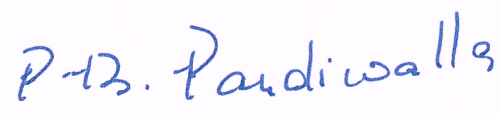
SPECIALITY RESTAURANTS LIMITED

If undelivered please return to:
Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400078
Tel no: 91-22-25946970 Fax: 91-22-25946969.

FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	SPECIALITY RESTAURANTS LIMITED
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by:-	
	Audit Committee Chairman	
	Managing Director	
	Chief Financial Officer	
	Auditor of the Company	<p>Refer our Audit Report dated 28th May, 2014 on the Financial Statements of the Company</p> <p>For Deloitte Haskins & Sells LLP Chartered Accountants (Firm's Registration No. 117366W/W-100018)</p> <p> Porus B. Pardiwalla</p> <p>Partner (Membership No. 40005)</p> <p>Mumbai, <u>July 15, 2014</u></p>