



ANNUAL REPORT  
2015



SPECIALITY  
RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED

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# 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. Over four thousand employees and associates at Speciality Restaurants bring this belief to work everyday, creating a special experience for guests and stakeholders through food.

Speciality Restaurants is a leading player in the fine dining industry with restaurants across India, Bangladesh and Tanzania. Its flagship brand, Mainland China and Mainland China Asia Kitchen, serves authentic cuisines of Chinese provinces and dishes from across Asia through 53 restaurants in 23 cities in India and 1 restaurant in Dhaka, Bangladesh and 1 in Dar es Salaam, Tanzania.

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

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

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



## 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.**

# From the CHAIRMAN'S DESK



Dear Shareholders,

The year under review has been stressful, bringing with it both opportunities and challenges in equal measure. The year started on a positive note, with a new Government at the center bringing with it hope and expectations of renewed growth. In view of the recent developments, however it appears likely that it will be a while before these hopes do materialise at the ground level.

The Food and Beverages sector of our economy has witnessed a high rate of inflation for the last couple of years, creating pressure on the discretionary spending power of consumers across all categories.

As a result, your company has been experiencing a challenging business environment over the last few months. Despite these issues, your Company's turnover in FY 2015 increased to 3070.9 million from 2736.9 million in the previous year, reflecting a growth of 12.2%. However, various global factors coupled with unseasonal weather disturbances maintained the inflationary pressure which kept raw material prices and other related operating costs at a higher level.

Your Company chose not to take the easy way out by passing on the increase to our valued patrons through a menu price increase. Rather, we decided to be prudent and considerate; it restrained itself from adding to the burden of the consumers, realizing that this would have an adverse effect on the footfalls in

the restaurants. As a result of this caution, profit margins have failed to keep pace with the increase in revenues even though adequate measures have been taken to keep other costs under control.

The Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to 368.3 million (12% of revenue) as against 438.0 million (16% of revenue) in the previous year. The Net Profit after Tax was down to 94.5 million as against 188.9 million in the previous year, partly due to changed depreciation rate prescribed by the Companies Act, 2013.

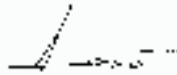
Since its inception over two decades ago, your Company has enjoyed a positive growth trajectory with its brands and has sustained this leadership position despite a competitive environment. All your Company's brands consistently deliver an unique experience to the diners, both in service and quality. This consistent service has reinforced the strength of the principal brands - its flagship Mainland China, and its three core brands Oh! Calcutta, Sigree Global Grill and Sweet Bengal. While the severe economic headwinds of the last few years have posed serious challenges, fine dining formats are facing the maximum resistance in the dining-out space. The revenue growth posted by your Company, therefore, vindicates the positioning and the strength of your brands.

Over the last two years, your Company has also made strategic inroads into the space of 'casual or semi-casual' dining, which offers quicker conversions and has built new brands in newer formats. These include Café Mezzuna, Hoppipola and Sigree Global Grill. These brands are experimenting with offerings at lower and single all inclusive price points (Sigree Global Grill), and of different cuisines in fun-filled but non fine-dining settings, (Café Mezzuna and Hoppipola) to attract the youth. Further your Company is carrying out a brand rejuvenation for Mainland China through a refreshed and new offering in the form of Mainland Asia Kitchen, presenting Oriental Cuisine which supplements the all-time favourites of Mainland China with selected Pan-Asian flavours from Thai, Japanese, Korean, Malaysian and Burmese kitchens. With an open lively kitchen and a seating that's more casual than fine dining, this has received an encouraging response and is attracting a completely new class of diners.

I believe that the current year will bring its own new challenges but the recent moderation of food inflation is expected to encourage discretionary spending. Your Company is geared to derive the maximum benefit from

this upturn when it comes. This confidence stems from the long standing support of our stakeholders and the unflinching loyalty of our customers.

I would like to thank you all for your continuous support and look forward to another year, where we recommit ourselves to ensuring greater growth for our Company and for our stakeholders.



**Susim Mukul Datta**  
Chairman



# Our foundation, built on brands

*Each of our brands enjoy a unique positioning in the markets they operate and constitute an important aspect of our strategic roadmap over the next several years. We have defined a set standard within which all of them operate and going forward they will play a key role in our near and long term success.*



## Flagship Brand

### MAINLAND CHINA



#### Mainland China

Mainland China, our flagship brand has crossed the continent and now also has an operational outlet in Tanzania. We continue to ensure that each dish we serve is a perfect balance of Yin and Yang flavours so that guests enjoy the essential harmony of Chinese gourmet cuisine.

The brand which has picked up major awards not just once but on several occasions, enjoys top of the mind brand recall and sustained loyalty of its customer over the years.

### MAINLAND CHINA ASIA KITCHEN



In FY 2015, we launched Mainland China Asia Kitchen, refreshing the flagship brand.

#### Mainland China Asia Kitchen

We explored an exciting new format by launching a new avatar of Mainland China, Mainland China Asia Kitchen that serves cuisines from across Asia beyond Chinese.

This initiative will not only refresh the flagship brand, it launches another gastronomic adventure. All the legendary kitchens of the Far-East now come under one roof with flavours from the food-streets of Hong Kong, Singapore, Malaysia, Thailand, Japan, Korea, Myanmar and of course, China. The dynamic format with live kitchen helps to instill new energy into the flagship brand.



## Core Brands

### Oh! Calcutta



#### Oh! Calcutta

The unique cuisine of Oh! Calcutta celebrates the melting pot of cultures that is Calcutta. The menu reveals many lost culinary delights that have been unearthed by meticulous research and have a fan following far beyond just Bengalis.

The elegance and creativity at the heart of the cuisine not only speak in classic Bengali dishes with rare recipes and authentic spices but also find expression in contemporary flavours - smoked, steamed or in small bites like canapes.

The brand is constantly pushing the envelope to offer guests with new flavours of a timeless cuisine.

sigree

GLOBAL GRILL



#### Sigree Global Grill

A new addition to the Group's portfolio, Sigree Global Grill has emerged as a popular brand. With live grills on each table in the style of Brazilian Churascaria or Japanese Hibachi, Sigree Global Grill is a new concept of dining for the next generation, globe trotting gourmet.

Unlimited grills from around the globe like Mediterranean, Oriental, Spanish, Mexican and Indian cuisine are served on the live grills on each table, followed by a buffet that spans the globe with almost every major cuisine.

The all-inclusive price point has been a major attraction.

Barely a year into operations, Sigree Global Grill has won the Times Good Food Awards for Best Multi Cuisine Buffet in Mumbai.

### Sweet Bengal



#### Sweet Bengal

Sweet Bengal was opened in Mumbai to give sweet connoisseurs a taste of authentic Bengali delicacies. Since then, it has proven to be the favourite destination for Bengali sweets.

The innovative and traditional spread of Bengali sweets and savouries are created from pure, fresh milk, ghee and natural extracts by sweet makers who have perfected the art of making Bengali sweets for generations.



## Power Brands



### Café Mezzuna

Café Mezzuna was conceived keeping in mind the young, well-travelled connoisseur. A niche, all day semi-casual dining restaurant, Café Mezzuna serves dishes with Mediterranean, Moroccan, Spanish, French and Italian flavours. The bar menu is carefully crafted to complement the exciting menu.

Its all day, casual dining ambience is spread across a lively indoor and outdoor seating arrangement to be more welcoming.

Café Mezzuna is already a winner of Times Good Food Awards for Best Thin Crust Pizza and Best All Day Dining Café in Pune. The second outlet opened in Kolkata has already received a very encouraging response.



### Hoppipola

Hoppipola offers a fun filled experience to the young-at-heart who constitute the majority of a growing market. Positioned as All Day Fun and Kitchen, its menu offers ample contemporary flavours such as finger food and bar nibbles. Innovative mocktails also add to the funky menu.

Literally meaning “jumping in puddles” in Icelandic, Hoppipola is an embodiment that you don't need to be young to have fun. With Beer Pong, Beer Chuggathon, a quirky book section, model aeroplanes suspended from the roof, video and board games, blackboard tables and toadstool seats, there is always fun brewing.



## Other Brands



### Haka

With an innovative menu and a range of quick bites, dim sums and complete meals Haka is an ideal place for guests on the go. Convenient and delicious meals that can be enjoyed between shopping or the movie make Haka a huge favourite with the outgoing youth.

## MACHAAN



### Machaan

Machaan serves Indian dishes 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 minimal 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 restaurant is modern and vibrant offering a unique experience with grills on each table.



Kix: A lively bar with music and a dance floor, targeted at the young Indian professional segment.



Shack: A bar lounge with a beach theme that is targeted at the growing, young Indian professional segment.



Kibbeh: A Lebanese bar and lounge targeted at the young Indian professional segment.

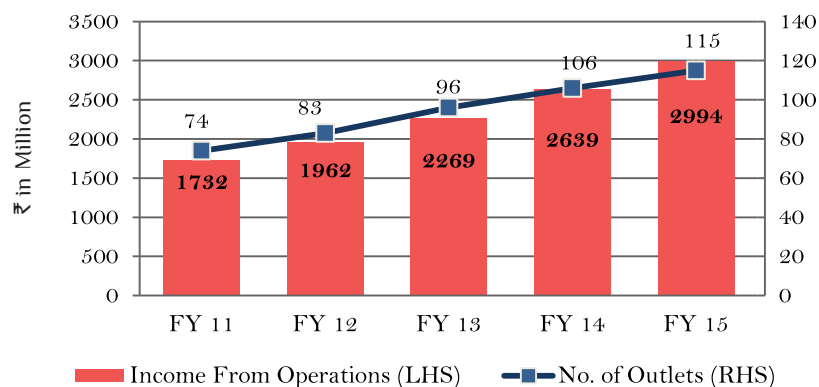


Zoodles: A veritable walk down the buzzing food streets of Kuala Lumpur, Shanghai, Bangkok and Singapore, fresh ingredients are tossed, stirred, grilled and wok fried at this stop for a healthy and delicious bite of Asia's exotic soul food.

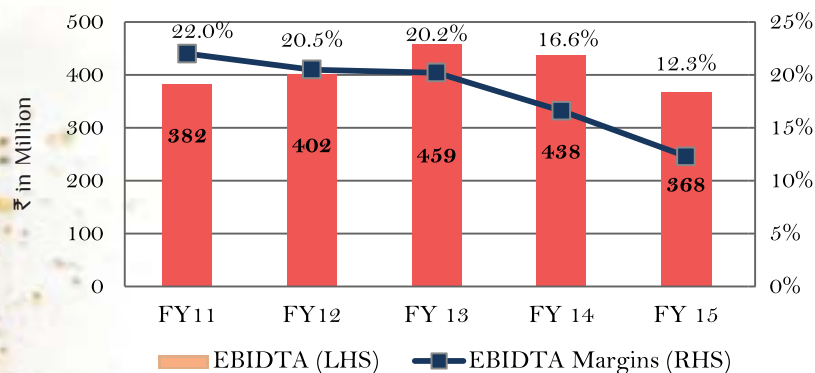


# What the numbers say

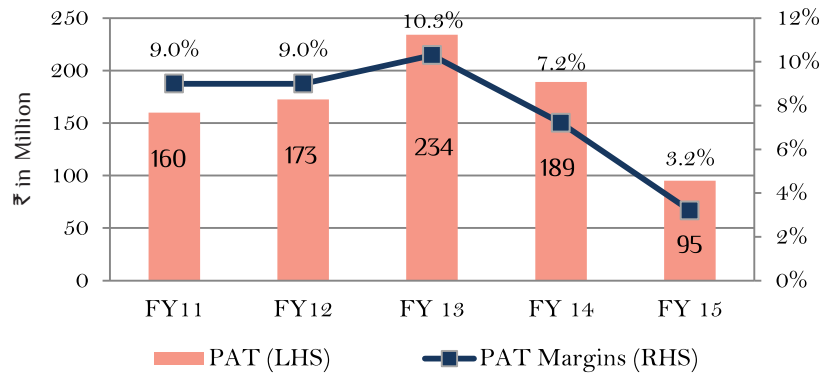
Total Income from Operations and Outlets



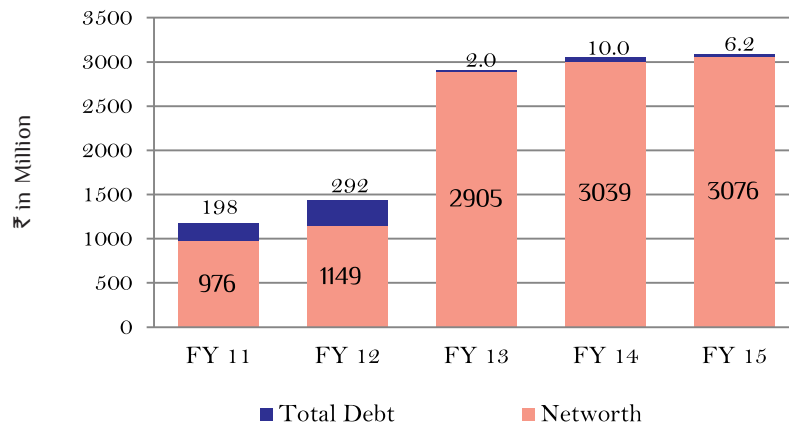
EBIDTA and EBIDTA Margins



### PAT and PAT Margins



### Net Worth and Total Debt





# Beyond the numbers

Management Musings

## Suchhanda Chatterjee

### Director- Interior and Design

“After Food and Service quality, fine dining customers place a lot of emphasis on ambience. At Speciality Restaurants we strive to maintain the ambience for a particular brand across locations. We want our guests to feel equally special and that they are visiting their favourite restaurant irrespective of the location. While the decor for Mainland China and Oh! Calcutta are inspired by the theme, the décor for the new power brand Sigree Global Grill is more challenging since we bring together a variety of global cuisines. Further, with real estate becoming expensive and cost pressures rising, we are striving for better space utilisation as well as for reduced maintenance expenditures across our outlets.”

## Indranil Chatterjee

### Director- Commercial Operations

“Discretionary spends are yet to pick up and cost pressures are still on. We, at Speciality Restaurants have utilised these adverse times to build a complementing portfolio of brands in line with the changing trends. Our latest brand Sigree Global Grill is doing well and the niche brands like Cafe Mezzuna and Hoppipola are also positioned for good growth. The new brand refresh of Mainland China in the form of Mainland China Asia Kitchen is also receiving an overwhelming response. To sum it up, we have utilized the lull in the economy and discretionary spends effectively to streamline our business model. We are thus confident of capturing the next growth wave.”

## Indraneil Palit

### Executive Director- Project, Business Development & Strategic Planning

“Whether it is the international markets or domestic, our approach to expansion remains steady and sure-footed. We like to ensure that all our brands provide utmost satisfaction to our guests, be it food, service or ambience. Since the time of our IPO, we have opened 10-12 outlets every year and will continue to do so. In the coming financial year 2015-16 also, we plan to open 10-12 restaurants.”

## Rajesh Mohta

### Executive Director- Finance & CFO

“This year has been about further enhancing efficiencies wherever possible. We have utilised the uncertain macroeconomic times to undertake measures such as tightening our kitchen area to reduce overheads. We are setting up a central commissary in cities where we have a larger number of restaurants beginning with Kolkata and Mumbai. At the same time we are trying to negotiate better deals with our vendor partners for sourcing raw materials. We are focusing on sweating of assets to ensure optimal operational leverage.”



## 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.

# Board of Directors





## 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

### Whole-time 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

### Whole-time 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

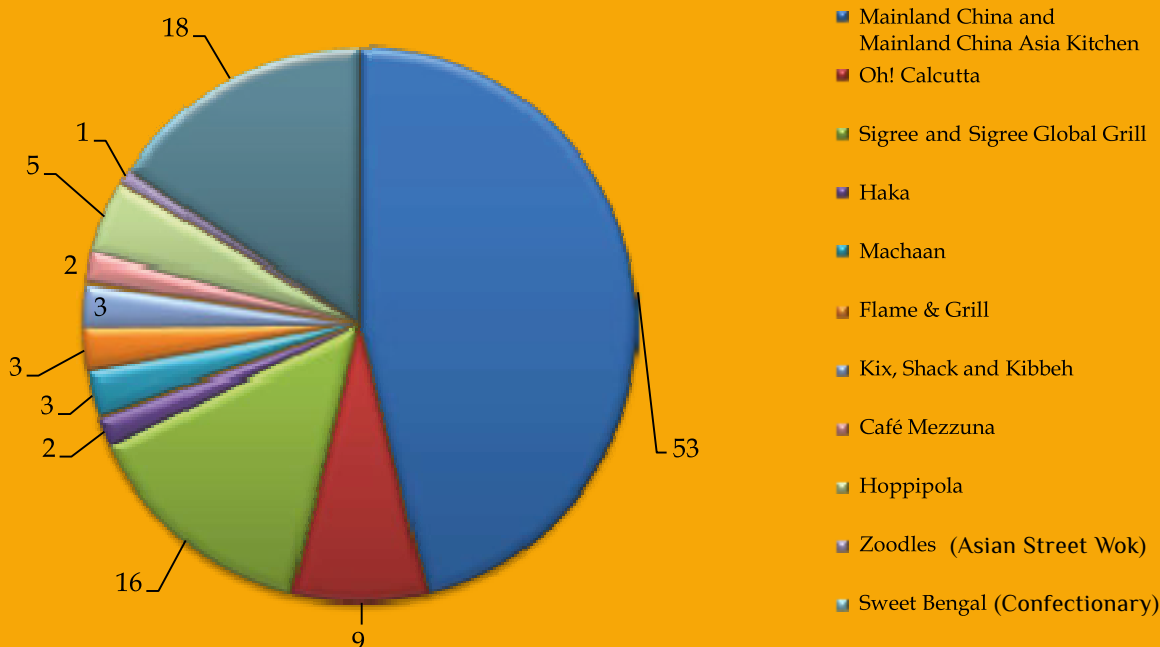
Mr. Dushyant Mehta has spent over 30 years in leading advertising and marketing campaigns for major brands and holds a Masters Degree in Business Administration.



# Brand presence

Mainland China and Sigree, now operational in Tanzania

Brands & Number of Outlets as on March 31, 2015



## Brands

Mainland China and Mainland China Asia Kitchen

Oh! Calcutta

Sigree and Sigree Global Grill

Haka

Machaan

Flame & Grill

Café Mezzuna

Hoppipola

Kix, Shack and Kibbeh

Zoodles (Asian Street Wok)

Sweet Bengal (Confectionary)

## Key Cities

23 cities in India and Dhaka in Bangladesh and Dar es Salaam in Tanzania

Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad

Pune, Chennai, Kolkata, Mumbai, Hyderabad, Bengaluru, Indore, Dhaka (Bangladesh) and Dar es Salaam (Tanzania)

Kolkata

Kolkata, Guwahati and Howrah

Hyderabad and Kolkata

Kolkata and Pune

Bengaluru, Pune and Mumbai

Kolkata and Hyderabad

Mumbai

Mumbai

# Managing Director's perspectives



Key excerpts from a tete-a-tete with the company's Managing Director, Anjan Chatterjee

## 1. What are your thoughts on the prevalent current macroeconomic scenario?

India's economy has recorded a growth of 7.3 per cent (provisionally) as per the Central Statistical Organisation for the fiscal year that ended in March 2015. Oil Prices were benign, thereby reducing the fiscal burden from subsidies and contributing to environmental sustainability. Resultantly, there has been a drop in the Wholesale Price Index and Consumer Price Index numbers as well.

While this is a welcome development, the ground realities are a tad different, and the benefits of the above numbers are yet to reach corporates and consumers. Investment, credit growth, job market and other key indicators of a broader growth in the economy are all still sluggish. Raw material prices continue to remain on the higher side whereas discretionary spending is yet to show signs of a sustainable revival.



## 2. How have you positioned your Company given the industry dynamics?

Over the past few years, there have been significant changes within the hotel and restaurant industry. These changes include slowdown in sales growth as the industry continued to face inflationary pressures as well as important shifts in consumer demographics and expectations.

The problem was accentuated with low levels of consumer demand for restaurants generally and full-service dining in particular, despite some signs of improvement in the overall economy.

We continue to use guest insights to anticipate and act upon evolving needs and expectations to deliver differentiated innovation in products and services. To summarize, our efforts are aimed at reducing costs and enhancing operational efficiencies without compromising on quality and service levels. Our successful effort at sweating of Assets is a fine example of how we have optimized every resource possible.

A point we would like to stress on is that, rather than simply wait for the economy to revive, we have used the slowdown of the last few years to refresh and innovate our brand portfolio mix. Hence, we believe that when the inevitable uptick in the economy results in increased discretionary spending, we will be at the forefront of companies in our segment that will benefit.

## 3. During FY 2015, you had undertaken initiatives to mitigate macroeconomic headwinds. How have they shaped up?

Speciality Restaurants has long been the market leader in full-service dining. We would attribute this to the passionate commitment, collective capabilities and hard work of generations of employees. We continue to build

new brands like Cafe Mezzuna and Hoppipola and new refreshed formats like Mainland China Asia Kitchen to target a more niche customer segment, enhance our basket of offerings and make better use of our existing assets. The response has been encouraging and we will continue to extend these efforts over the next financial year.

## 4. How do you foresee the growth and profitability of your company given the prevalent trends?

We have striven hard to drive our top-line growth while simultaneously controlling our input costs without impacting Quality. Whereas the growth in top-line is gradually becoming visible, we expect the input cost control efforts to bear fruit over the next few quarters which could facilitate margin expansion.

Wherever we have a number of restaurants in a city, we are trying to reduce the back area of the restaurant which do not generate revenue and have a central storage resulting into lowering of fixed costs





which has a direct impact on the profitability. We have already implemented this in Kolkata and it is also underway in Mumbai.

While we are yet to witness any significant change in discretionary spending patterns as yet, we believe there are signs of economic revival on the anvil and when that happens, we expect positive traction. With cost control measures in place, as soon as discretionary spending happens our Same Stores Sales too will pick up. This would then have a positive impact on our bottom line.

Food costs were moderating till the recent unseasonal rains but we hope to secure better contracts when they come up for renewal over the next couple of quarters. Import substitution is underway, but we will not compromise on our output quality merely to reduce cost. Our belief is that it will take a couple of quarters for the impact of our cost control measures to be visible and discernible in our financial numbers.

## 5. How is your brand portfolio shaping up?

To respond to long-term industry trends, we have been pursuing innovative strategies while retaining our core strengths, for the past few years. Against this backdrop, we have refreshed Mainland China through

Mainland China Asia Kitchen where the repertoire menu has extended to Pan Asian Flavours.

It will offer South East Asian Cuisine with 60% Chinese and 40% Pan Asian Flavours. We recognize that the palates of India are moving towards more exciting flavours from the Pan Asian regions, and we have seen success here.

We are exploring the possibility of converting Flame and Grill, Sigree and Machaan into Sigree Global Grill strategically in certain places in order to build a Power Brand. Cafe Mezzuna, an all-day format and Hoppipola which caters to the younger segment of society are doing well by optimum utilisation of existing spaces and targeting a niche segment. We have opened 'Zoodles' to explore the potentials in the Quick Service Restaurant ("QSR") Category.

As far as the delivery model is concerned, we are working on packaging and logistics to ensure that the unique food experience we are normally associated with does not get compromised at the customer's residence.

We believe this portfolio-mix is critical to confidently face challenges and for delivering sustained and aggressive growth, going forward.

## 6. How are your International Expansions shaping up?

International forays are a definite part of our strategic expansion plans. We are following a slow but steady approach here as these are new geographies. Detailed matrices have been put in place outlining our operational levels, and we will commence operations only after these criteria are met.

Two franchise restaurants are in operation in Tanzania since March 2015 under the brand name of “Mainland China” and “Sigree”. Though there was delay in the launch of these restaurants, the response seems to be encouraging.

Mainland China restaurant will be in operation soon in Doha under a joint venture company.

## 7. What is your strategic roadmap for the future?

All our strategies are aimed at delighting our guests and remaining the market leader. To achieve and sustain this, we are focusing on sustainable growth by sweating of assets and leveraging the brand equity of our flagship brands.

We intend driving penetration by expanding geographies in domestic as well as international markets with new stores and formats. Across the landscape, the core principles will remain optimisation of our restaurant level economics and maintaining the service quality.

We have derived immense benefit from a portfolio of distinguished brands bolstered by a cost-effective operating support platform. We believe this multi-layered, disciplined approach will enable us to sustain our industry leadership positioning.

We expect FY 2017 to be the year in which there could be a discernible improvement in discretionary spends with its first signs becoming visible in the second half of FY 2016.

## 8. What can we expect in FY 2016?

Notwithstanding the progress that has been made, we realize that more must be done to reach the levels of growth and value creation that both our leadership and our stakeholders expect. We are executing a number of initiatives across the Company that we believe will enable us to do just that.

Historically we have opened 10-12 restaurants on an average every year and would like to keep up that number. However, the macroeconomic environment calls for a cautious approach till we see signs of revival at the grass root level.

Despite the challenges of fiscal 2015 and the difficult macroeconomic environment that still casts its shadow, your Company is stronger today because of the steps we have taken. As a result of these actions and the progress we are making, we are confident that Speciality Restaurants will continue to create value for all its stakeholders.



## 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 (Till 20.3.2015)

### Board Committees

#### Audit Committee

Jyotin Mehta (Appointed as Chairman w.e.f. 24.3.2015)  
Anjan Chatterjee  
Tara Sankar Bhattacharya (Ceased as Chairman w.e.f. 24.3.2015)  
Dushyant Mehta

#### Stakeholders Relationship Committee

Susim Mukul Datta (Chairman)  
Anjan Chatterjee  
Indranil Chatterjee

#### Nomination and Remuneration Committee

Dushyant Mehta (Chairman)  
Jyotin Mehta  
Susim Mukul Datta

#### Corporate Social Responsibility Committee

Jyotin Mehta (Chairman)  
Dushyant Mehta  
Suchhanda Chatterjee

#### Risk Management Committee

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

### 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, 32<sup>nd</sup> 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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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](mailto:corporate@speciality.co.in)  
CIN: L55101WB1999PLC090672

### Corporate Office

Morya Landmark I, 4<sup>th</sup> Floor,  
B-25, Veera Industrial Estate,  
Off. New Link Road,  
Andheri (West),  
Mumbai-400053.  
Tel: (91 22) 3341 6700  
Fax: (91 22) 3340 6878  
Website: [www.speciality.co.in](http://www.speciality.co.in)

**16<sup>th</sup> Annual General Meeting at  
Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017  
on Wednesday, August 26, 2015 at 11.00 a.m.**



## NOTICE

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting (the "16<sup>th</sup> AGM") of the Members of **SPECIALITY RESTAURANTS LIMITED** (the "Company") will be held on Wednesday, August 26, 2015 at 11.00 a.m. at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017 (the "Notice") to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended March 31, 2015, the Audited Balance Sheet as at and for the financial year ended March 31, 2015, the Report of the board of directors of the Company (the "Board of Directors") and Auditor's Report for the financial year ended March 31, 2015.
2. To declare dividend on equity shares of face value of ₹ 10 each (the "Equity Shares") for the financial year ended March 31, 2015.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 and rules made thereunder (the "Companies Act"), including Sections 139(9) and 142(1) of the Companies Act, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration Number: 117366 W/W-100018), as the statutory auditors of the Company in the 15<sup>th</sup> Annual General Meeting for a term ending on the annual general meeting to be held in the year 2019 is hereby ratified in this Annual General Meeting (16<sup>th</sup> AGM) till the conclusion of the next annual general meeting on such remuneration as may be decided by the Audit Committee in consultation with the Auditors."

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 of the Companies Act, 2013 (the "Companies Act"), Schedule V of the Companies Act and the Articles of Association of the Company and subject to such consents and permissions as may be required for modifying the resolution passed at the annual general meeting of the Company held on August 13, 2013 for the re-appointment and remuneration of Mr. Anjan Chatterjee (DIN : 00200443) as the Managing Director of the Company, consent of the Members of the Company be and is hereby accorded for the approval of the remuneration received by Mr. Anjan Chatterjee, who is a managerial personnel in more than one company in excess of the limits prescribed under Section V of Part II of Schedule V of the Companies Act during the financial year 2014-15 and for modification of the terms and conditions of remuneration of Mr. Anjan Chatterjee, Managing Director of the Company with effect from April 1, 2015 (as approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on May 27, 2015) for the remainder of the tenure of his contract (i.e. including and up to December 26, 2017) to the following extent:

#### Remuneration:

1. **Basic Salary:** The basic salary payable shall be in the range of ₹ 2,00,000/- to ₹ 7,00,000/- per month. For the period starting from April 1, 2015 it shall be ₹ 2,50,000/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall be due from December 27, 2015.

2. **Allowances:**

- (a) House Rent Allowance : ₹ 1,25,000/- per month.
- (b) Additional Allowance : ₹ 1,25,000/- per month.

The above mentioned allowances and such other allowances as and when decided, including such increments as may be fixed by the Board of Directors, shall not exceed 100% of the basic salary, as specified in (1) above.

3. **Perquisites:**

In addition to the aforesaid basic salary and allowances, Mr. Anjan Chatterjee shall be entitled to gratuity, mediclaim policy for himself and his family, personal accident insurance for himself and such other benefits he is entitled to in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such provision, the perquisites shall be valued at actual cost.

4. **Commission:**

Over and above the remuneration aforesaid, he shall be eligible for commission at the rate of 1% of the net profits or such other percent as the Board of Directors may fix every year.

5. **Sitting Fees:**

Mr. Anjan Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board of Directors and/or Committee(s) of the Board of Directors (the "Committees").

In addition to the remuneration specified above, Mr. Anjan Chatterjee may also draw remuneration from other companies, in the capacity of a managerial person, provided that the total remuneration (including basic salary, allowances, perquisites and commission including the remuneration received from other companies) shall be within the overall limits laid down in the Companies Act.

**RESOLVED FURTHER THAT** during the tenure of Mr. Anjan Chatterjee as the Managing Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Anjan Chatterjee shall be eligible to draw the remuneration by way of salary, allowances, perquisites and Commission from the Company





as well as from other companies within the overall limits prescribed under Section II, Part II of Schedule V of the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Anjan Chatterjee, subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors or any Committees authorised by the Board of Directors in this behalf be and are hereby authorised to take such steps and to do all such acts, deeds, matters, things and settle any such doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Indranil Chatterjee, Director-Commercial Operations and Mr. V.S. Satyamoorthy, Company Secretary be and are hereby severally authorized to file various forms as required to be filed under the Companies Act, electronically, from time to time, with the Registrar of Companies, West Bengal or such other concerned authorities.”

#### 5. Re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 (the “Companies Act”), Schedule V of the Companies Act and the Articles of Association of the Company and subject to such consents, approvals and permissions as may be required, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mrs. Suchhanda Chatterjee (DIN : 00226893) as the Whole-time Director of the Company (designated as Director-Interior and Design), liable to retire by rotation, for a period of three years with effect from July 1, 2015 on the following remuneration, allowances, perquisites and benefits, as approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on May 27, 2015, and on such other terms and conditions as set out in the explanatory statement;

##### Remuneration:

1. **Basic Salary:** The basic salary in the range of ₹ 50,000/- to ₹ 3,00,000/- per month. For the period starting from July 1, 2015 it shall be ₹ 87,500/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall be due from July 1, 2016.

##### 2. Allowances:

- (a) House Rent Allowance : ₹ 43,750/- per month.
- (b) Additional Allowance : ₹ 43,750/- per month.

The above mentioned allowances and such other allowances, as and when decided, including such increments as may be fixed by the Board of Directors, shall not exceed 100% of the basic salary, as specified in (1) above.

##### 3. Perquisites:

In addition to the aforesaid basic salary and allowances, Mrs. Suchhanda Chatterjee shall be entitled to gratuity, mediclaim policy for herself and her family, personal accident insurance for herself and such other benefits she is entitled to in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such provision, the perquisites shall be valued at actual cost.

##### 4. Sitting Fees:

Mrs. Suchhanda Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board of Directors and/or Committees.

In addition to the remuneration specified above, Mrs. Suchhanda Chatterjee may also draw remuneration from other companies, in the capacity of a managerial person, provided that the total remuneration (including basic salary, allowances and perquisites, including the remuneration received from other companies), shall be within the overall limits laid down in the Companies Act.

**RESOLVED FURTHER THAT** during the tenure of Mrs. Suchhanda Chatterjee as the Whole-time Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mrs. Suchhanda Chatterjee shall be eligible to draw the remuneration by way of basic salary, allowances and perquisites from the Company as well as from other companies within the overall limits prescribed under Section II, Part II of Schedule V of the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board of Directors and Mrs. Suchhanda Chatterjee, subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors or any Committee authorised by the Board of Directors in this behalf, be and are hereby authorised to take such steps and to do all such acts, deeds, matters, things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Anjan Chatterjee, Managing Director, Mr. Indranil Chatterjee, Director-Commercial Operations and Mr. V.S. Satyamoorthy, Company Secretary be and are hereby severally authorised to file the various forms required to be filed under the Companies Act, electronically, from time to time, with the Registrar of Companies, West Bengal or such other concerned authorities.”



## 6. Re-appointment of Mr. Indranil Chatterjee as a Whole-time Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 (the "Companies Act"), Schedule V of the Companies Act and the Articles of Association of the Company and subject to such consents, approvals and permissions as may be required, consent of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Indranil Chatterjee (DIN : 00200577) as the Whole-time Director of the Company (designated as Director-Commercial Operations), liable to retire by rotation, for a period of three years with effect from July 1, 2015 on the following remuneration, allowances, perquisites and benefits, as approved by the Nomination and Remuneration Committee and the Board of Directors at their meetings held on May 27, 2015, and on such other terms and conditions as set out in the explanatory statement;

### Remuneration:

1. **Basic Salary:** The basic salary shall be payable in the range of ₹ 50,000/- to ₹ 3,00,000/- per month. For the period starting from July 1, 2015 it shall be ₹ 87,500/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall be due from July 1, 2016.

### 2. Allowances:

(a) House Rent Allowance : ₹ 43,750/- per month.

(b) Additional Allowance : ₹ 43,750/- per month.

The above mentioned allowances and such other allowances, as and when decided, including such increments as may be fixed by the Board of Directors shall not exceed 100% of the basic salary, as specified in (1) above.

### 3. Perquisites:

In addition to the aforesaid basic salary and allowances, Mr. Indranil Chatterjee shall be entitled to gratuity, mediclaim policy for himself and his family, personal accident insurance for himself and such other benefits he is entitled to in accordance with the rules of the Company.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961 and the rules made thereunder and in the absence of any such provision, the perquisites shall be valued at actual cost.

### 4. Sitting Fees:

Mr. Indranil Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board of Directors and/or Committees.

In addition to the remuneration specified above, Mr. Indranil Chatterjee may also draw remuneration from other companies, in the capacity of a managerial person, provided that the total remuneration (including basic salary, allowances and perquisites, including the remuneration received from other companies), shall be within the overall limits laid down in the Companies Act.

**RESOLVED FURTHER THAT** during the tenure of Mr. Indranil Chatterjee as the Whole-time Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Indranil Chatterjee shall be eligible to draw the remuneration by way of basic salary, allowances and perquisites from the Company as well as from other companies within the overall limits prescribed under Section II, Part II of Schedule V of the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board of Directors and Mr. Indranil Chatterjee subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors or any Committee authorised by the Board of Directors in this behalf, be and are hereby authorised to take such steps and to do all such acts, deeds, matters, things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Anjan Chatterjee, Managing Director and Mr. V.S. Satyamoorthy, Company Secretary be and are hereby severally authorised to file the various forms required to be filed under the Companies Act, electronically, from time to time, with the Registrar of Companies, West Bengal or such other concerned authorities."

By Order of the Board  
For Speciality Restaurants Limited

Place: Mumbai.  
Date: May 27, 2015

V.S.Satyamoorthy  
Company Secretary

**Registered Office:** Uniworth House,  
3A, Gurusaday Road, Kolkata 700 019.  
**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 (the “**Companies Act**”) relating to the special business to be transacted at the 16<sup>th</sup> AGM, as set out in the notice to the 16<sup>th</sup> AGM (the “**Notice**”) (the “**Explanatory Statement**”) 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 proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
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 16<sup>th</sup> 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 true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the 16<sup>th</sup> AGM.
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 that not less than three days’ notice in writing of the intention to inspect the proxies lodged is given to the Company.
6. Members/proxies should bring the duly filled Attendance Slip enclosed with the Annual Report to attend the meeting.
7. Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Members at the registered office of the Company (the “**Registered Office**”) 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 Saturday, August 15, 2015, to Wednesday, August 26, 2015 (both days inclusive) in order to determine the names of members eligible for dividend on the equity shares of the Company, if declared at the meeting.
9. The dividend on Equity Shares, as recommended by the Board of Directors, if declared at the meeting will be credited/despached on or after September 1, 2015 to those members whose names appear on the Company’s Register of Members as on the close of the business hours on August 14, 2015. In respect of the shares held in dematerialized form, the dividend will be paid to the beneficial owners of the shares, whose names are furnished by National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”) (collectively, the “**Depository Participants**”), as on the close of the business hours on August 14, 2015.
10. Members are requested to address all correspondence including dividend matters, to the Company’s Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078 (the “**Registrar**” or “**Transfer Agent**”).
11. Members holding shares in dematerialized form are requested to intimate immediately any change in their address or bank mandate to their respective Depository Participants 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.
12. Unclaimed dividend for the financial years 2012-13 and 2013-14 are held in separate bank accounts and members who have not received the dividend/encashed the warrants are advised 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 be transferred to Investor Education and Protection Fund established by the Central Government as per Section 124 of the Companies Act.
13. Copies of the Annual Report for the financial year 2014-15 are being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report for the financial year 2014-15 are being sent by the permitted modes of service of documents.
14. The Notice, *inter-alia* indicating the process and manner of remote e-voting, along with the Attendance Slip and Proxy Form, will be sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository Participants, 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 and the Annual Report for the financial year 2014-15 is will also be available on the Company’s website [www.speciality.co.in](http://www.speciality.co.in). The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection on all working days, except Saturdays, during business hours. Members who require communication in physical form in addition to e-communication or have any other queries may write to us at [investor@speciality.co.in](mailto:investor@speciality.co.in).



## 16. Voting through electronic means:

- (a) In compliance with Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35 of the listing agreement entered into by the Company with the Stock Exchanges on which the Company's equity shares have been listed (the "**Listing Agreement**"), the Company is pleased to provide members with the facility to exercise their right to vote at the 16<sup>th</sup> AGM by electronic means and all the businesses specified in the Notice, may be transacted through such voting.
- (b) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (c) The Company has appointed CDSL (the "**Service Provider**") for facilitating remote e-voting to enable the Members of the Company to cast their votes electronically pursuant to Section 108 of the Companies Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (d) In terms of Section 108 of the Companies Act read with the Companies (Management and Administration) Rules, 2014 as amended, the Company is providing the remote e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being Wednesday, August 19, 2015, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice (the "**Remote e-voting**"). The Remote e-voting commences on Sunday, August 23, 2015 (10:00 a.m. IST) and ends on Tuesday, August 25, 2015 (5.00 p.m. IST). Detail of the process and manner of Remote e-voting along with the User ID and Password is being sent to all the Members along with the Notice.
- (e) In terms of the amendment to the Companies (Management and Administration) Rules, 2014 with respect to the Voting through electronic means, the Company is also offering the facility for voting by way of ballot at the 16<sup>th</sup> AGM. The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the 16<sup>th</sup> AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the 16<sup>th</sup> AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Wednesday, August 19, 2015.
- (f) The Board of Directors has appointed Mr. Tarun Chatterjee (Membership No.A17195 / C.P.No. 6935) of M/s T. Chatterjee & Associates, Practising Company Secretaries, (the "**Scrutinizer**") as a scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (g) Members who do not have access to e-voting facility may send duly completed Ballot Form in the self-addressed prepaid postage envelope, enclosed with the Annual Report, directly to the Scrutinizer so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Tarun Chatterjee, Practising Company Secretary, not later than Tuesday, August 25, 2015 (5.00 p.m. IST).
- (h) Ballot Form received after August 25, 2015 will be treated as invalid.
- (i) During the remote e-voting period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Wednesday, August 19, 2015, may cast their vote by electronic means in the manner and process set out herein. The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. The remote e-voting module shall be disabled by CDSL thereafter.

In case you have any queries or issues regarding e-voting, you may refer to the frequently asked questions ("**FAQs**") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (j) At the end of the remote e-voting period, the facility shall be blocked for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way of Ballot at the meeting.
- (k) The Scrutinizer shall within a period not exceeding three working days from the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him.
- (l) The results of the resolutions, provided in the Notice, shall be declared not later than 72 hours from the conclusion of the 16<sup>th</sup> AGM and the resolutions will be deemed to be passed on the date of the 16<sup>th</sup> AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

The results of voting will be declared and published, alongwith Scrutinizer's Report, on the website of the Company ([www.speciality.co.in](http://www.speciality.co.in)) and on CDSL website ([www.cdslindia.com](http://www.cdslindia.com)) and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within 72 hours from the conclusion of the 16<sup>th</sup> AGM.

### The instructions for shareholders voting electronically are as under:

- The remote e-voting period commences on Sunday, August 23, 2015 at 10:00 a.m. (IST) and ends on Tuesday, August 25, 2015 at 5:00 p.m. (IST). During this period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Wednesday, August 19, 2015, may cast their vote by electronic means in the manner and process set out hereinbelow. The remote e-voting module shall be disabled by CDSL thereafter.



- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- In case a person has become a member of the Company after the despatch of the Notice but on or before the cut-off date i.e. Wednesday, August 19, 2015, he/she may follow the same procedure as mentioned below.

**A. In case of Members receiving e-mail:**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders".
- Now enter your User ID as follows:
  - Members registered with CDSL enter your 16 digits beneficiary ID.
  - Members registered with NSDL enter your 8 Character DP ID followed by 8 Digits Client ID.
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and click on "Login".
- If you are already registered with the Service Provider for e-voting, then please use your existing password.
- If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
Permanent Account Number ("PAN")	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participants are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- After entering these details appropriately, click on "Submit" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the "New Password" field. Kindly note that this password should be used by the demat holders while voting for resolutions of any other company in which they are eligible to vote, provided that such company opts for e-voting through the CDSL platform. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the "EVSN" for 'Speciality Restaurants Limited' on which you choose to vote.
- 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.
- Click on the "Resolutions File Link" if you wish to view the entire resolution details.
- 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". To change your vote, click on "Cancel" and accordingly modify your vote.
- Once you "Confirm" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- If you have forgotten your password, then enter your User ID and the image verification code and click on "Forgot Password" and enter the requisite details as prompted by the system.
- Note for Non – Individual Shareholders and Custodians:**
  - Non-individual shareholders (i.e. members other than Individuals, HUF, NRI, etc.) and custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as "Corporates".
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of such accounts should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the list of accounts they would be able to cast their vote.



- A scanned certified true copy of the board resolution and Power of Attorney (POA) issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for verification by the Scrutinizer.

**B. In case of Members receiving the physical copy:**

Please follow all steps from serial no. A. (i) to (xvi) specified above to cast vote.

17. Pursuant to Clause 49 of the Listing Agreement, the profile of Directors seeking re-appointment at the 16<sup>th</sup> AGM has been annexed to this Notice.
18. In terms of the circular of the Securities and Exchange Board of India (the “SEBI”), every participant in the securities market is mandatorily required to submit their PAN details. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company / Registrar.
19. All documents referred to in the accompanying Notice and the Explanatory Statement, if any, shall be open for inspection at the Registered Office on all working days, except Saturdays, during business hours, upto the date of the Meeting.

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

1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 4 to 6 of the Notice dated May 27, 2015.

**Item No.4**

2. Mr. Anjan Chatterjee was appointed as the Managing Director of the Company at the meeting of the Board of Directors held on November 6, 2012 for a period of five years effective from December 27, 2012.
3. At the annual general meeting held on August 13, 2013, the Members of the Company had approved the appointment of Mr. Anjan Chatterjee and details of remuneration payable to him (“**August 13, 2013 Resolution**”).
4. In terms of August 13, 2013 Resolution, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Anjan Chatterjee, Managing Director of the Company shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof. As there was inadequacy of profits in the financial year 2014-15, Mr. Anjan Chatterjee was eligible to draw the remuneration to the extent of ₹ 60 lakhs per annum based on the effective capital of the Company, in terms of Section II of Part II of Schedule V of the Companies Act. The remuneration paid to Mr. Anjan Chatterjee for the financial year 2014-15 was well within the limits as specified above.
5. Mr. Anjan Chatterjee has also been holding the managerial position in Situations Advertising and Marketing Services Pvt. Ltd. and has drawn a remuneration of ₹ 36 lakhs for the financial year 2014-15. Since Mr. Anjan Chatterjee was drawing remuneration in more than one company, in terms of Section V of Part II of Schedule V of the Companies Act, the total remuneration drawn by him from both the companies should not exceed the higher of the maximum limit admissible from any one of the companies in which he is a managerial person.
6. The total remuneration drawn by Mr. Anjan Chatterjee from both the companies for the financial year 2014-15 was in excess of the limits prescribed under Section II of Part II of Schedule V of the Companies Act.
7. The limits on the remuneration payable to a managerial personnel prescribed in Section II of Part II of Schedule V of the Companies Act may be doubled if the approval of the Members has been obtained by the Company by way of a Special Resolution.
8. Since the total remuneration drawn by Mr. Anjan Chatterjee from both the companies exceeded the limits specified in Section II of Part II of Schedule V of the Companies Act, the Company seeks the approval of the members for ratification of the excess remuneration paid to Mr. Anjan Chatterjee for the financial year 2014-15. The Company also seeks the approval of the Members for payment of minimum remuneration, in the case of inadequacy of profits for the period including and upto December 26, 2017 as recommended by Nomination and Remuneration Committee and approved by the Board in their meetings held on May 27, 2015.
9. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee (who is related to Mr. Anjan Chatterjee) are concerned or interested in the resolution set out as Resolution No. 4 of the Notice.
10. The Board recommends the Special Resolution for your approval.
11. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

**I. General Information:**

**(i) Nature of Industry:**

The Company is engaged in the business of restaurant industry.

**(ii) Date or expected date of commencement of commercial production:**

Not applicable

**(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable



(iv) Financial performance based on given indicators:

₹ In Millions

Particulars	Financial Years		
	2014-15	2013-14	2012-13
Paid-up Capital	469.58	469.58	469.58
Reserves and Surplus	2606.63	2569.61	2435.61
Turnover & Other Income	3070.91	2736.83	2360.41
Net Profit as per Profit and Loss Account (after tax)	94.52	188.94	234.14
Profit as computed under Section 198 of the Companies Act, 2013	115.24	246.95	304.82
Amount of Dividend (including Dividend Tax)	56.57	54.94	54.94
Rate of Dividend declared	10%	10%	10%

(v) Foreign investment or collaborations, if any:

The Company has 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 has incorporated a joint venture company in 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 the Joint Venture Company by way of subscription of 490 fully paid-up equity shares of QAR 1000 each of Mainland China Restaurant LLC.

II. Information about Mr. Anjan Chatterjee:

(i) **Background details:** Please refer to paragraphs 2 to 9 of Item No. 4 mentioned above.

(ii) **Past remuneration:**

The remuneration drawn by Mr. Anjan Chatterjee during the last three financial years was as under:

- Financial year 2012-13: ₹ 3.35 million
- Financial year 2013-14: ₹ 6.00 million
- Financial year 2014-15: ₹ 6.00 million

(iii) **Recognition or Awards:**

The Company has won multiple awards for various brands initiated under the leadership of Mr. Anjan Chatterjee. The details of the award are given on page no. 37 of the Annual Report.

(iv) **Job profile and his suitability:**

Mr. Anjan Chatterjee has over 30 years of experience in the Advertising and Hospitality Industry and is responsible for the overall supervision, control and management of the Company. He has contributed significantly to the achievements of the Company and the Board is of the opinion that his continuing appointment would be beneficial to the Company.

(v) **Remuneration proposed:**

The proposed remuneration comprises of basic salary, allowances, perquisites, commission and benefits as mentioned under Item No. 4 of this Notice subject to the provisions of Schedule V of the Companies Act, 2013.

The Company proposes to double the limit on maximum remuneration payable to Mr. Anjan Chatterjee from both the companies as per Section II of Part II of Schedule V of the Companies Act. The components of remuneration may be determined by Nomination and Remuneration Committee of the Board of Directors from time to time.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. Anjan Chatterjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar senior level counterpart(s) in the industry.

(vii) **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Except for the remuneration paid to him and the related party transactions entered into with the Company by Mr. Anjan Chatterjee and his relatives which have been approved by Audit Committee/Board of Directors, Mr. Anjan Chatterjee has no other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information:

(i) **Reasons of loss or inadequate profits:**

High rate of inflation coupled with reduction in discretionary spending power of consumers has affected the profitability of the restaurant industry, in general, and thereby resulted in decline in the profitability level. The longer break-even period in some of the restaurants also resulted in lower profits.



**(ii) Steps taken or proposed to be taken for improvement:**

The Company is taking steps to control costs and in the process of closing unviable restaurants with the aim of optimising the cost and improving the revenue and profits.

**(iii) Expected increase in productivity and profits in measurable terms etc.:**

The Company expects to achieve desired level of revenue and profitability over a period of time.

**IV. Disclosures:**

The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 64 of the Annual Report.

**Item No. 5**

12. Mrs. Suchhanda Chatterjee was appointed as a Whole-time Director of the Company at the meeting of the Board of Directors held on July 21, 2010 for a period of five years with effect from July 1, 2010.
13. At the annual general meetings held on September 30, 2010 and August 13, 2013, the Members had approved the appointment and terms of remuneration of Mrs. Suchhanda Chatterjee. The term of office of Mrs. Suchhanda Chatterjee as a Whole-time Director shall expire on June 30, 2015.
14. Based on the recommendation of Nomination and Remuneration Committee and considering her qualification, experience, increased responsibilities on account of new projects proposed to be implemented and the significant contribution made by her to the Company, the Board of Directors of the Company at their meeting held on May 27, 2015 has, subject to the approval of the Members of the Company, approved the re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company, designated as Director-Interior and Design, liable to retire by rotation, for a period of three years with effect from July 1, 2015. The Board has also approved the terms of remuneration payable to her during her tenure as Whole-time Director. The appointment of Mrs. Suchhanda Chatterjee as Whole-time Director and payment of remuneration is subject to the approval of the Members of the Company and subject to further approvals of any statutory or regulatory authorities wherever applicable.
15. Mrs. Suchhanda Chatterjee holds a Bachelor's degree in Arts and has been the Whole-time Director of the Company since July, 2010. She has over 15 years of experience in the Hospitality Industry.  
A draft of the letter of appointment proposed to be issued by the Company to Mrs. Suchhanda Chatterjee in connection with her re-appointment as Whole-time Director of the Company and setting out the terms and conditions of her re-appointment, including the remuneration, is available for inspection by the members at the Registered Office on all working days, except Saturdays, during business hours, upto the date of the meeting.
16. The other terms and conditions of re-appointment of Mrs. Suchhanda Chatterjee as Whole-time Director as set out in the draft letter of appointment are given below:-
  - (i) She shall adhere with the Company's Code of Conduct; ensure that she has no conflict of interest with the Company, its intellectual property and maintain confidentiality.
  - (ii) She shall not become interested or otherwise concerned, directly or through her spouse and/or children, in any selling agency of the Company.
  - (iii) The appointment may be terminated by either party giving the other party 180 days' notice in writing or the Company paying 180 days' salary in lieu thereof. On the expiry of the period of such notice, the letter of re-appointment, as specified above, shall stand terminated. If the Whole-time Director resigns from her office by notice in writing to the Company as provided above or otherwise ceases to hold office of the Whole-time Director, she shall nevertheless continue to hold the office of director of the Company and to exercise all the rights and privileges as a director of the Company.
17. Mr. Anjan Chatterjee, being a director of the Company is related to Mrs. Suchhanda Chatterjee and may be deemed to be interested or concerned in the re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company.
18. None of the Director of the Company or Key Managerial Personnel or their relatives except Mrs. Suchhanda Chatterjee and Mr. Anjan Chatterjee (who is related to Mrs. Suchhanda Chatterjee) are concerned or interested in the re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director, as set out in the Resolution No. 5 of the Notice.
19. The Board recommends the Special Resolution for your approval.
20. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

**I. General Information:**

**(i) Nature of Industry:**

The Company is engaged in the business of restaurant industry.

**(ii) Date or expected date of commencement of commercial production:**

Not applicable

**(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable





(iv) Financial performance based on given indicators:

₹ In Millions

Particulars	Financial Years		
	2014-15	2013-14	2012-13
Paid-up Capital	469.58	469.58	469.58
Reserves and Surplus	2606.63	2569.61	2435.61
Turnover & Other Income	3070.91	2736.83	2360.41
Net Profit as per Profit and Loss Account (after tax)	94.52	188.94	234.14
Profit as computed under Section 198 of the Companies Act, 2013	115.24	246.95	304.82
Amount of Dividend (including Dividend Tax)	56.57	54.94	54.94
Rate of Dividend declared	10%	10%	10%

(v) Foreign investment or collaborations, if any:

The Company has entered into a joint venture with the Al Mohammadi Group for the purpose of setting up a restaurant under the brand name "Mainland China" and has incorporated a joint venture company in 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 Joint Venture Company by way of subscription of 490 fully paid-up equity shares of QAR 1000 each of Mainland China Restaurant LLC.

II. Information about Mrs. Suchhanda Chatterjee:

(i) **Background details:** Please refer to paragraphs 12 to 18 of Item No. 5 mentioned above.

(ii) **Past remuneration:**

The remuneration drawn by Mrs. Suchhanda Chatterjee during the last three financial years was as under:

- Financial year 2012-13: ₹ 1.88 million
- Financial year 2013-14: ₹ 2.10 million
- Financial year 2014-15: ₹ 2.10 million

(iii) **Recognition or Awards:**

The Company has won multiple awards for various brands. The details of the award are given on page no. 37 of the Annual Report.

(iv) **Job profile and her suitability:**

Mrs. Suchhanda Chatterjee has over 15 years of experience in the field of Hospitality Industry. She has contributed significantly to the achievements of the Company and the Board is of the opinion that her continuing appointment would be beneficial to the Company.

(v) **Remuneration proposed:**

The proposed remuneration comprises of basic salary, allowances, perquisites and benefits as mentioned under Item No. 5 of this Notice subject to the provisions of Schedule V of the Companies Act, 2013.

The components of remuneration may be determined by Nomination and Remuneration Committee of the Board of Directors from time to time.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mrs. Suchhanda Chatterjee, the responsibilities shouldered by her and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar senior level counterpart(s) in the industry.

(vii) **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Except for the remuneration paid to her and the related party transactions entered into with the Company by Mrs. Suchhanda Chatterjee and her relatives which have been approved by Audit Committee/Board of Directors, Mrs. Suchhanda Chatterjee has no other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information:

(i) **Reasons of loss or inadequate profits:**

High rate of inflation coupled with reduction in discretionary spending power of consumers has affected the profitability of the restaurant industry, in general, and thereby resulted in decline in the profitability level. The longer break-even period in some of the restaurants also resulted in lower profits.

(ii) **Steps taken or proposed to be taken for improvement:**

The Company is taking steps to control costs and in the process of closing unviable restaurants with the aim of optimising the cost and improving the revenue and profits.

(iii) **Expected increase in productivity and profits in measurable terms etc.:**

The Company expects to achieve desired level of revenue and profitability over a period of time.



#### IV. Disclosures:

The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 64 of the Annual Report.

#### Item No. 6

21. Mr. Indranil Chatterjee was appointed as a Whole-time Director of the Company at the meeting of the Board of Directors held on July 21, 2010 for a period of five years with effect from July 1, 2010.
22. At the annual general meetings held on September 30, 2010 and August 13, 2013, the Members had approved the appointment and terms of remuneration of Mr. Indranil Chatterjee, Whole-time Director of the Company. The term of office of Mr. Indranil Chatterjee as Whole-time Director of the Company shall expire on June 30, 2015.
23. Based on the recommendation of Nomination and Remuneration Committee and considering his significant contributions made by him to the Company, the Board of Directors of the Company at their meeting held on May 27, 2015 has, subject to the approval of the members of the Company, approved the re-appointment of Mr. Indranil Chatterjee as Whole-time Director of the Company, designated as Director-Commercial Operations, for a period of three years with effect from July 1, 2015. The Board has also approved the terms of remuneration payable to him during his tenure as Whole-time Director. The appointment of Mr. Indranil Chatterjee as Whole-time Director and payment of remuneration is subject to the approval of the members of the Company and subject to further approvals of any regulatory or statutory authorities.
24. Mr. Indranil Chatterjee holds a Bachelor's degree in Commerce and a post graduate Diploma in Business Management and has been the Whole-time Director of the Company since July, 2010. He has over 30 years of experience in the field of Finance and Marketing.  
A draft of the letter of appointment proposed to be issued by the Company to Mr. Indranil Chatterjee in connection with his re-appointment as Whole-time Director of the Company which sets out the terms and conditions of his re-appointment including the proposed remuneration is available for inspection by the members at the Registered Office on all working days, except Saturdays, during business hours, upto the date of the meeting.
25. The other terms and conditions of re-appointment of Mr. Indranil Chatterjee as Whole-time Director as set out in the draft letter of appointment are given below:-
  - (i) He shall adhere with the Company's Code of Conduct; ensure that he has no conflict of interest with the Company, its intellectual property and maintain confidentiality.
  - (ii) He shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
  - (iii) The appointment may be terminated by either party giving the other party 180 days' notice in writing or the Company paying 180 days' salary in lieu thereof. On the expiry of the period of such notice the letter of re-appointment, as specified above, shall stand terminated. If the Whole-time Director resigns from his office by notice in writing to the Company as provided above or otherwise ceases to hold office of the Whole-time Director, he shall nevertheless continue to hold the office of director of the Company and to exercise all the rights and privileges as a director of the Company.
26. None of the Director of the Company or Key Managerial Personnel or their relatives except Mr. Indranil Chatterjee are concerned or interested in the re-appointment of Mr. Indranil Chatterjee as a Whole-time Director as set out in the Resolution No. 6 of the Notice.
27. The Board recommends the Special Resolution for your approval.
28. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

#### I. General Information:

##### (i) Nature of Industry:

The Company is engaged in the business of restaurant industry.

##### (ii) Date or expected date of commencement of commercial production:

Not applicable.

##### (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

##### (iv) Financial performance based on given indicators:

₹ In Millions

Particulars	Financial Years		
	2014-15	2013-14	2012-13
Paid-up Capital	469.58	469.58	469.58
Reserves and Surplus	2606.63	2569.61	2435.61
Turnover & Other Income	3070.91	2736.83	2360.41
Net Profit as per Profit and Loss Account (after tax)	94.52	188.94	234.14
Profit as computed under Section 198 of the Companies Act, 2013	115.24	246.95	304.82
Amount of Dividend (including Dividend Tax)	56.57	54.94	54.94
Rate of Dividend declared	10%	10%	10%



**(v) Foreign investment or collaborations, if any:**

The Company has 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 has incorporated a joint venture company in 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 Joint Venture Company by way of subscription of 490 fully paid-up equity shares of QAR 1000 each of Mainland China Restaurant LLC.

**II. Information about Mr. Indranil Chatterjee:**

**(i) Background details:** Please refer to paragraphs 21 to 26 of Item No. 6 mentioned above.

**(ii) Past remuneration:**

The remuneration drawn by Mr. Indranil Chatterjee in the last three financial years was as under:-

- a) Financial year 2012-13: ₹ 1.73 million
- b) Financial year 2013-14: ₹ 2.10 million
- c) Financial year 2014-15: ₹ 2.10 million

**(iii) Recognition or Awards:**

The Company has won multiple awards for various brands. The details of the award are given on page no. 37 of the Annual Report.

**(iv) Job profile and his suitability:**

Mr. Indranil Chatterjee has close to 30 years of experience in the field of Finance and Marketing. He has contributed significantly to the achievements of the Company and the Board is of the opinion that his continuing appointment would be beneficial to the Company.

**(v) Remuneration proposed:**

The proposed remuneration comprises of basic salary, allowances, perquisites and benefits as mentioned under Item No. 6 of this Notice subject to the provisions of Schedule V of the Companies Act, 2013.

The components of remuneration may be determined by Nomination and Remuneration Committee of the Board of Directors from time to time.

**(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. Indranil Chatterjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar senior level counterpart(s) in the industry.

**(vii) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Except for the remuneration paid to him, Mr. Indranil Chatterjee has no other pecuniary relationship with the Company or relationship with the managerial personnel.

**III. Other Information:**

**(i) Reasons of loss or inadequate profits:**

High rate of inflation coupled with reduction in discretionary spending power of consumers has affected the profitability of the restaurant industry, in general, and thereby resulted in decline in the profitability level. The longer break-even period in some of the restaurants also resulted in lower profits.

**(ii) Steps taken or proposed to be taken for improvement:**

The Company is taking steps to control costs and in the process of closing unviable restaurants with the aim of optimising the cost and improving the revenue and profits.

**(iii) Expected increase in productivity and profits in measurable terms etc.:**

The Company expects to achieve desired level of revenue and profitability over a period of time.

**IV. Disclosures:**

The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 64 of the Annual Report.

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

Place: Mumbai.  
Date: May 27, 2015

**V.S.Satyamoorthy  
Company Secretary**

**Registered Office:** Uniworth House,  
3A, Gurusaday Road, Kolkata 700 019.  
**CIN:** L55101WB1999PLC090672  
**E-mail:** corporate@speciality.co.in  
**Phone:** 033-22837964/65/66.  
**Fax No:** 033-22809282.



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

<b>Name of the Director</b>	<b>Mrs. Suchhanda Chatterjee</b>	<b>Mr. Indranil Chatterjee</b>
Date of Birth	9-10-1965	22-04-1960
Date of Appointment	1-12-1999	18.8.2005
Qualifications	B.A.	B.Com. Post Graduate Diploma in Business Management
Expertise in specific functional areas	Over 15 years of experience in the field of Hospitality Industry	Close to 30 years of experience in the field of Finance and Marketing.
Directorship in other Companies*	Nil	Nil
Membership of Committees in other Public Limited Companies (includes only Audit & Stakeholders Relationship Committee)	None	None
No. of Shares held in the Company	1,19,70,000	1,299

Note: Pursuant to Clause 49 of the Listing Agreement, only two Committees viz. Audit Committee and Stakeholders Relationship 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 Sixteenth Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2015.

### 1. Financial Results

(₹ in Millions)

Particulars	March 31, 2015	March 31, 2014
Revenue from operations	2,993.8	2,638.5
Other Income	77.1	98.3
<b>Total Income</b>	<b>3,070.9</b>	<b>2,736.8</b>
Earnings before Interest, Tax, Depreciation and Amortisation	368.3	438.0
Less:		
Finance Costs	0.8	0.7
Depreciation /Amortization	252.3	190.3
<b>Net Profit for the year before Taxes</b>	<b>115.2</b>	<b>247.0</b>
Less: Taxes expense / (credit)		
Current Tax	50.2	81.0
Deferred Tax	(29.5)	(22.9)
<b>Profit for the year</b>	<b>94.5</b>	<b>188.9</b>
Add: Balance brought forward from previous year	941.5	807.5
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 (net of deferred tax of ₹ 0.5 million)	0.9	-
Available for Appropriations	1,035.1	996.4
Less: Appropriations:-		
Proposed Dividend on Equity Shares (₹ 1 per share of ₹ 10 each)	47.0	47.0
Corporate Dividend Tax	9.6	8.0
<b>Balance of Profit carried forward to Balance Sheet</b>	<b>978.5</b>	<b>941.4</b>

### 2. Financial Performance and the state of Company's affairs

The Indian economy grew at the rate of 7.5% year-on-year in the last quarter of the financial year 2014-15 and at 7.3% for the entire financial year 2014-15 (provisionally), as per the Central Statistical Organisation. However, the broader growth indicators continue to be slow-moving.

The 'Mid-Year Economic Analysis 2014-15' also expects the retail inflation measured in terms of Consumer Price Index (CPI) to be in the range of 5.1% -5.8 % in the next five quarters, which is encouraging. For the year under review, the retail inflation in March dropped to a three month low of 5.17% as compared to 8.25% in the corresponding period of the previous year.

The Fine Dining Industry continues to face the twin challenges of higher costs and lower discretionary spends. The Fine Dining Market, part of the organized Chain Market Segment is still at a nascent stage in India. However, this market is likely to grow at a CAGR of around 15% over the next five years and is estimated to reach a size of ₹ 1,010 crore by 2018.

The market segments of the food service industry that are right on top are the Quick Service Restaurants ("QSR") with 43% market share followed by casual dine-in at 31% while cafe chains, frozen desserts and ice-creams form 6% of the share followed by fine dining at 4%. The rest of the market is shared by pubs, bars, clubs and lounges. QSR and casual dine-in are popular with the working professionals while fine dining is family and occasion oriented.

During the year under review, your Company commenced 14 restaurants out of which 10 are Company Owned Company Operated (COCO) while 4 are Franchise Owned Company Operated (FOCO). Out of the 4 FOCO restaurants, 2 represent international destinations in Dar es Salaam, Tanzania. At the end of the financial year 2014-15, your Company has 97 Restaurants and 18 Confectionaries.

The total Income of your Company increased to ₹ 3070.9 million from ₹ 2736.8 million in the previous year recording a growth of 12.20%.

The Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to ₹ 368.3 million (12% of the revenue) as against ₹ 438.0 million (16% of the revenue) in the previous year.

The Net Profit after Tax was ₹ 94.5 million as against ₹ 188.9 million in the previous year.



Amidst the challenging economic conditions, your Company cautiously proceeded with its expansion plan charted out for the year. Your Company has initiated measures to efficiently utilize its physical and human assets, to rationalize and re-engineer costs and to tactically increase margins while retaining the footfalls through reverse innovative measures.

### 3. Dividend on Equity Shares

Your Directors are pleased to recommend a dividend of ₹ 1.00 per share (Previous Year ₹ 1.00 per share) for the financial year ended March 31, 2015.

### 4. Investment

During the year under review, the Company had entered into a Share Purchase and Shareholders' Agreement with Love Sugar and Dough Private Limited (LSDPL), Mr. Nauzad Kersi Munshi and Ms. Tarannum Imtiaz Merchant, the Promoters of LSDPL for acquisition of 51% stake in LSDPL and accordingly acquired 51% stake in LSDPL by purchase of 5,100 equity shares of LSDPL for a consideration of ₹ 7.5 million and thus LSDPL became the Subsidiary of the Company with effect from December 30, 2014.

The Board of Directors of the Company at their Meeting held on April 28, 2015 have approved the proposal for the sale of entire stake of 51% (5,100 equity shares) held in LSDPL for a consideration of ₹ 5.7 million back to its Promoters.

The Company proposes to enter into a Share Sale Agreement with LSDPL and the Promoters of LSDPL for the proposed sale. In view of this, LSDPL would cease to be the Subsidiary of the Company upon completion of the sale transaction.

### 5. Employee Stock Option Scheme (ESOS)

During the year under review, the Company has not granted any fresh stock option to its employees.

Details of the shares granted under Employee Stock Option Scheme (ESOS), as also the disclosures in compliance with Section 62 of Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") are annexed as Annexure A which forms part of this report.

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

### 6. Awards and Recognition

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

Awards
Mainland China, Begumpet, Hyderabad won 'Times Food Awards' in the category of Best Chinese for the year 2014-15.
Mainland China, Chandigarh won 'Times Food Awards' in the category of Best Chinese for the year 2015.
Mainland China, Jaipur won 'Times Food Awards' in the category of Best Chinese.
Mainland China, Orion Mall, Bengaluru won 'I Ate Here Awards' by Mouthshut.com in the category of Best Chinese Cuisine.
Mainland China, Indiranagar, Bengaluru won 'I Ate Here Awards' by Mouthshut.com in the category of Best Chinese Cuisine.
Mainland China, Bandra, Mumbai, won 'I Ate Here Awards' by Mouthshut.com in the category of Best Chinese.
Oh! Calcutta, Bengaluru won 'Times Food Awards' in the category of Best Bengali for the year 2015.
Sigree, Vashi, Mumbai won 'I Ate Here Awards' by Mouthshut.com in the category of Best Buffet.
Sigree Global Grill, Mumbai Suburbs won 'Times Food Awards' in the category of Multi-Cuisine Buffets for the year 2015.
Haka brand won the Zomato Users' Choice Award' for Buffet.
Café Mezzuna, Kolkata won 'Times Food Awards' in the category of Best European/ Continental for the year 2015.

### 7. Directors and Key Managerial Personnel

#### I. Directors

Your Company has Seven (7) Directors of which Four (4) are Independent Directors and Three (3) are Executive Directors as on March 31, 2015.

#### II. Cessation

Mr. Vishal Sood (DIN 01780814) resigned from the Board w.e.f. March 20, 2015.

The Board placed on record its appreciation for the valuable services rendered and contribution made by Mr. Vishal Sood during his tenure as Director of the Company.

#### III. Independent Directors

In terms of the definition of 'Independent Director' as prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Section 149 (6) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, to the effect that he meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The following Non-Executive Directors are Independent Directors of the Company:



1. Mr. Susim Mukul Datta
2. Mr. Jyotin Mehta
3. Mr. Tara Sankar Bhattacharya
4. Mr. Dushyant Mehta

#### **IV. Woman Director**

Mrs. Suchhanda Chatterjee is a Director since incorporation of the Company. Accordingly, the requirements of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement have been complied with by the Company.

#### **V. Managing Director and Whole-time Directors**

Mr. Anjan Chatterjee has been serving as the Managing Director of the Company since December 2007.

Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee have been serving as Whole-time Directors of the Company since July, 2010.

#### **VI. Appointment/Resignations of Key Managerial Personnel**

Mr. Anjan Chatterjee, Managing Director; Mrs. Suchhanda Chatterjee, Whole-time Director; Mr. Indranil Chatterjee, Whole-time Director; Mr. Rajesh Kumar Mohta, Executive Director-Finance and CFO and Mr. V.S. Satyamoorthy, Company Secretary are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013.

None of the Key Managerial Personnel has resigned or appointed during the year under review.

#### **VII. Re-appointment of Whole-time Directors**

##### **Mrs. Suchhanda Chatterjee (DIN 00226893)**

The Board of Directors of the Company at their meeting held on May 27, 2015, subject to the approval of the Members in the ensuing Annual General Meeting of the Company, approved the re-appointment of Mrs. Suchhanda Chatterjee, as Whole-time Director of the Company designated as Director-Interior and Design for a period of three years with effect from July 1, 2015.

##### **Mr. Indranil Chatterjee (DIN 00200577)**

The Board of Directors of the Company at their meeting held on May 27, 2015, subject to the approval of the Members in the ensuing Annual General Meeting of the Company, approved the re-appointment of Mr. Indranil Chatterjee, as Whole-time Director of the Company designated as Director-Commercial Operations for a period of three years with effect from July 1, 2015.

Further details about the above Whole-time Directors seeking re-appointment in the ensuing Annual General Meeting are annexed to the Notice which is being sent to the Members alongwith the Annual Report.

#### **VIII. Evaluation of Board's Performance**

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on March 24, 2015 had laid down the criteria for the performance evaluation of Directors (Executive and Non-Executive Independent Directors including Chairman), Committees of the Board and the Board as a whole and the evaluation process for the same in compliance with the requirements under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The manner in which the formal annual evaluation of the Directors, Committees of the Board and the Board as a whole is to done is given in the report on Corporate Governance which forms part of the Annual Report.

The performance of the Members of the Board, the Committees of the Board and the Board as a whole was evaluated at the Meeting of Independent Directors and the Board of Directors held on March 24, 2015.

#### **IX. Policy on Directors' remuneration and other details**

The Company's policy relating to remuneration of Directors, Key Managerial Personnel and other Employees as stipulated under Section 178 (4) of the Companies Act, 2013, has been disclosed in the Corporate Governance report, which forms part of the Directors' report.

#### **X. Number of Board Meetings**

The Board of Directors met Seven (7) times during the financial year 2014-15. Detailed information on the Meetings of the Board is included in the report on Corporate Governance which forms part of this Annual Report. A separate Meeting of Independent Directors was also held during the financial year 2014-15.

Besides the above, several Committee Meetings of the Board were held during the financial year 2014-15, the detailed information of which is included in the report on Corporate Governance.

#### **XI. Change in Share Capital**

The Paid-up Equity Share Capital of the Company as on March 31, 2015 was ₹ 46,95,76,570/-. During the year under review, there was no change in the issued, subscribed and paid-up share capital of the Company.



## **XII. Related Party Transactions**

All the related party transactions during the year were entered in the ordinary course of business and on arm's length basis. There were no materially significant related party transactions entered during the year by your Company. Accordingly, no transactions are being reported in Form No.AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

All Related Party Transactions are presented to the Audit Committee and the Board for approval. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

The Policy on Materiality of Related Party Transactions and also on Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website at the following web link:- [http://www.speciality.co.in/pdf/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS\\_AND\\_ALSO\\_ON\\_DEALING\\_WITH\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf)

The details of the transactions with Related Parties are provided on page no.97 under Financial Statements.

### **8. Report on Corporate Governance**

The report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement/s forms part of the Annual Report. The requisite Certificate from the Practising Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this report.

### **9. Management Discussion and Analysis Report**

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

### **10. Composition of Audit Committee**

The details relating to the composition of the Audit Committee are provided in the Report on Corporate Governance which forms part of this report.

### **11. Corporate Social Responsibility**

In terms of Section 135 of the Companies Act, 2013, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") under the Chairmanship of an Independent Director of the Company. The CSR Committee of the Board has formulated a CSR Policy which has been uploaded on the Company's website at the following web link: [www.speciality.co.in](http://www.speciality.co.in).

The Annual Report on CSR activities as prescribed under Section 135 of the Companies Act, 2013 is annexed as Annexure B which forms part of this report.

### **12. Vigil Mechanism**

In pursuance of the provisions of Sections 177(9) and 177(10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the Company's website at the following web link: [www.speciality.co.in](http://www.speciality.co.in).

### **13. Risk Management**

Your Company has constituted a Risk Management Committee in November, 2014 for complying with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges to implement the risk management plan and policy of the Company.

The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the areas of internal financial and risk management systems.

### **14. Particulars of loans, guarantees or investments**

Disclosure on particulars of loans, guarantees or investments made during the financial year 2014-15 under Section 186 of the Companies Act, 2013 is provided on page no. 98 under Financial Statements.

### **15. Consolidated Financial Statements**

Subsequent to the year end, the Company has proposed to enter into a Share Sale Agreement for the proposed sale of its entire stake of 5,100 equity shares of Love Sugar and Dough Private Limited ("LSDPL") aggregating to 51% of the issued and paid-up equity share capital of LSDPL held by the Company for an aggregate consideration of ₹ 5.7 million. As the control was intended to be temporary, no consolidated financial statements have been prepared by the Company.

### **16. Internal Financial Control Systems and their adequacy**

Your Company has laid down adequate internal financial controls, through requisite policies and procedures. Such controls are operating effectively to ensure accuracy and completeness of the accounting records, the timely preparation of reliable financial information alongwith the orderly and efficient conduct of business.





## 17. Auditors and Audit Reports

### I. Statutory Auditors and their report

M/s. Deloitte Haskins and Sells LLP were appointed as Statutory Auditors of the Company at the Fifteenth Annual General Meeting held on September 15, 2014 to hold office until the conclusion of the Annual General Meeting to be held in the year 2019. As per the provisions of Section 139 of the Companies Act, 2013 the appointment of Auditors is required to be ratified by the Members at every Annual General Meeting. A resolution for ratification is included in the Notice which is being sent to the Members alongwith the Annual Report.

### II. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed M/s. GMJ & Associates, Company Secretaries as Secretarial Auditor to conduct the Secretarial Audit for the financial year 2014-15.

The Report of the Secretarial Auditor for the financial year 2014-15 is annexed as Annexure C which forms part of this report.

There were no audit qualifications in the Statutory Auditors' Report as well as the Secretarial Audit Report for the financial year 2014-15 as annexed to this Annual Report.

## 18. Particulars of Employees

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure D which forms part of this report.

A Statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure E which forms part of this report.

## 19. I. Statutory Disclosures

### i. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The activities of the Company are not covered under the disclosures required as per the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) (A & B) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption.

### ii. Foreign Exchange Earnings and Outgo

The disclosures required as per the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) (C) of the Companies (Accounts) Rules, 2014 regarding foreign exchange earned in terms of actual inflows and Foreign Exchange outgo during the year under review in terms of actual outflows are given below:

	(₹ in Millions)	
Foreign Exchange Earnings and Outgo	2014-15	2013-14
Foreign Exchange Earned in terms of actual inflows	4.1	-
Foreign Exchange Outgo in terms of actual outflows	8.3	7.8

iii. No written complaints have been received by the Company pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

iv. No stock options were granted to the Directors of your Company during the year under review.

## II. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- ii. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii. Issue of shares including sweat equity shares to employees of the Company under any scheme save and except Employee Stock Option Scheme referred to in this Report.
- iv. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from the subsidiary company.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

## 20. Extracts of Annual Return

Pursuant to Sections 134 (3) (a) and 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as at March 31, 2015 is annexed as Annexure F which forms part of this report.



## 21. Directors' Responsibility Statement

The Directors confirm that:-

- i. in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year 2014-15 and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 22. Utilisation of net proceeds from the Initial Public Offering ("Issue")

In terms of 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 utilise ₹ 1,316.0 million towards development of new restaurants, ₹ 151.0 million towards development of a food plaza, ₹ 94.2 million towards repayment of portion of term loan facilities and ₹ 10.5 million towards general corporate purpose in the financial years 2012-13 to 2014-15.

The details of utilization of the IPO Proceeds as of March 31, 2015 and the balance outstanding as on March 31, 2015 are provided in the Report on Corporate Governance.

In view of the economic slow-down and decrease in the discretionary spend of the customers the Company has been unable to utilize ₹ 578.5 million. Accordingly, your Company will be seeking approval of the Members to vary the Objects of the Issue as disclosed in the Prospectus dated May 22, 2012 for the amount unutilized as of March 31, 2015.

## 23. 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 Employees of the Company.

**For and on behalf of the Board  
Speciality Restaurants Limited**

**Susim Mukul Datta  
Chairman**

Date: May 27, 2015

Place: Mumbai.

**ANNEXURE A forming part of the Directors' Report**

Disclosure under Section 62 of Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") for the year ended March 31, 2015.

<b>Sr. No.</b>	<b>Description</b>	<b>Speciality Restaurants Limited-Employee Stock Option Scheme 2012</b>	
A	No. of options granted	5,77,200	
B	Pricing Formula	The exercise price as approved by the Board Governance and Remuneration Committee of the Company (now known as Nomination and Remuneration Committee) under the authority of the Board and Members, was the market price which was the latest available closing price on the stock exchange on which the shares of the Company are listed where there was highest trading volume prior to the date of meeting of the Committee in which the Options were granted.	
C	Total number of Options vested	1,28,825	
D	Total number of Options exercised	Nil since no option was exercised.	
E	Total number of Ordinary Shares of ₹ 10 each arising as a result of exercise of options	Nil	
F	Total Number of Options lapsed	61,900	
G	Exercise Price	₹ 126.20	
H	Variation of terms of Options	Nil	
I	Money realized by exercise of options during the year	Nil since no option was exercised during the financial year 2014-15.	
J	Total number of options in force	5,15,300	
K	(i) Details of Options granted to Senior Management Personnel	As provided below	
	<b>Sr. No.</b>	<b>Name</b>	<b>No. of Options Granted during the financial year 2013-14</b>
	1	Mr. Indranil Chatterjee	50,000
	2	Mr. Indraneil Palit	50,000
	3	Mr. Phiroz Sadri	50,000
	4	Mr. Rajesh Kumar Dubey	50,000
	5	Mr. Rajesh Kumar Mohta	38,400
	6	Mr. Nripendra Chauhan	25,000
	7	Mr. V.S.Satyamoorthy	19,000
	8	Mr. Ramchander	26,500
K	(ii) 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	
	(iii) 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	
L	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'.	Nil since no option was exercised during the year.	
M	(i) Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per the intrinsic value method for the financial year 2014-15 was ₹ 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	₹ 6.3 million	



Sr. No.	Description	Speciality Restaurants Limited-Employee Stock Option Scheme 2012																					
N	The impact of this difference on profits and on Earnings Per Share of the Company	<p>The effect on the profits and earnings per share, had the fair value method been adopted is presented below:-</p> <p style="text-align: right;">₹ In Millions</p> <table> <tr> <td>Profit After tax as reported</td> <td></td> <td style="text-align: right;">94.5</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Less: Fair Value Compensation Cost (Black Scholes model)</td> <td></td> <td style="text-align: right;">(6.3)</td> </tr> <tr> <td>Adjusted Profit</td> <td></td> <td style="text-align: right;">88.2</td> </tr> <tr> <td>Earnings per Share</td> <td style="text-align: center;">Basic (₹)</td> <td style="text-align: center;">Diluted (₹)</td> </tr> <tr> <td>As reported</td> <td style="text-align: center;">2.01</td> <td style="text-align: center;">4.02</td> </tr> <tr> <td>As adjusted</td> <td style="text-align: center;">1.87</td> <td style="text-align: center;">3.95</td> </tr> </table>	Profit After tax as reported		94.5	Add: Intrinsic Value Compensation Cost		-	Less: Fair Value Compensation Cost (Black Scholes model)		(6.3)	Adjusted Profit		88.2	Earnings per Share	Basic (₹)	Diluted (₹)	As reported	2.01	4.02	As adjusted	1.87	3.95
Profit After tax as reported		94.5																					
Add: Intrinsic Value Compensation Cost		-																					
Less: Fair Value Compensation Cost (Black Scholes model)		(6.3)																					
Adjusted Profit		88.2																					
Earnings per Share	Basic (₹)	Diluted (₹)																					
As reported	2.01	4.02																					
As adjusted	1.87	3.95																					
O	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.	<table> <tr> <td>Weighted average exercise price per Option:</td> <td style="text-align: right;">₹ 126.20</td> </tr> <tr> <td>Weighted average fair value per Option:</td> <td style="text-align: right;">₹ 48.87</td> </tr> </table>	Weighted average exercise price per Option:	₹ 126.20	Weighted average fair value per Option:	₹ 48.87																	
Weighted average exercise price per Option:	₹ 126.20																						
Weighted average fair value per Option:	₹ 48.87																						
P	A description of the method and significant assumptions used during the year to estimate the fair value of the Options	<p>The fair value of each Option is estimated using Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:-</p> <table> <tr> <td>(i) Risk-free interest rate</td> <td style="text-align: right;">8.85%</td> </tr> <tr> <td>(ii) Expected life</td> <td style="text-align: right;">4 years</td> </tr> <tr> <td>(iii) Expected volatility</td> <td style="text-align: right;">36.47%</td> </tr> <tr> <td>(iv) Expected Dividend yield</td> <td style="text-align: right;">0.79%</td> </tr> <tr> <td>(v) The price of the underlying Shares in market at the time of Option grant</td> <td style="text-align: right;">₹ 126.20</td> </tr> </table>	(i) Risk-free interest rate	8.85%	(ii) Expected life	4 years	(iii) Expected volatility	36.47%	(iv) Expected Dividend yield	0.79%	(v) The price of the underlying Shares in market at the time of Option grant	₹ 126.20											
(i) Risk-free interest rate	8.85%																						
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(iv) Expected Dividend yield	0.79%																						
(v) The price of the underlying Shares in market at the time of Option grant	₹ 126.20																						

**ANNEXURE B forming part of Directors' Report**  
**Annual Report on Corporate Social Responsibility Activities**

During the financial year 2014-15, the Company constituted Corporate Social Responsibility Committee (CSR) pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. A brief summary of initiatives taken during the aforesaid financial year are given below:-

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to web-link to the CSR Policy and Projects or programs	<p>The Company has framed the CSR Policy to identify and support initiatives aimed at:</p> <p>(i) eradicating hunger, poverty and malnutrition, promoting health care and sanitation and improving the quality of life and economic well being of individuals;</p> <p>(ii) training, providing and supporting educational needs of the underprivileged segments of society; and</p> <p>(iii) such other activities as may be permissible under Schedule VII of the Companies Act, 2013 and the relevant rules.</p> <p>The Company has proposed to undertake the activity of providing nutritional foods for school children through a trust.</p> <p>The Board of Directors of the Company have already framed the Corporate Social Responsibility Policy based on the recommendation of CSR Committee and the same has been displayed on the Company's website at the following web link: <a href="http://www.speciality.co.in">www.speciality.co.in</a>.</p>
2.	Composition of the CSR Committee	The composition of the CSR Committee is as under:- Mr. Jyotin Mehta–Chairman Mrs. Suchhanda Chatterjee-Member Mr. Dushyant Mehta-Member
3.	Average Net Profits of the Company for the past three financial years.	₹ 266.2 million
4.	Prescribed CSR expenditure (Two Percent of the amount as in item 3 above).	₹ 5.3 million
5.	Details of CSR spent during the financial year 2014-15	
	(i) Total amount to be spent for the financial year.	₹ 5.3 million
	(ii) Amount un-spent if any.	₹ 4.8 million
	(iii) Manner in which the amount spent during the financial year 2014-15.	The Company has contributed an amount of ₹ 0.5 million to the Prime Ministers' National Relief Fund towards the CSR activities.
6.	In case the Company has failed to spend the two per cent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending in its Board Report.	The Company could not spend the entire 2% of the average net profits for the last three financial years since the Company was mainly focusing on the basic frame work for undertaking the CSR activities in accordance with the provisions of the Companies Act, 2013 including finalization of CSR policy, constitution of the statutory committee for undertaking the CSR activities, identifying the CSR project which meet the Company's goal as well as statutory requirements.
7.	A responsibility of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

**Anjan Chatterjee**  
**Managing Director**

**Jyotin Mehta**  
**Chairman–CSR Committee**

Mumbai, May 27, 2015.



**ANNEXURE C forming part of the Directors' Report**

**FORM NO. MR - 3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

**The Members,  
Speciality Restaurants Limited**

Uniworth House,  
3A, Gurusaday Road, Kolkata – 700 019.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Speciality Restaurants Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- i. The Companies Act, 2013 and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz:
  - a. The Securities and Exchange Board of India (Substantial acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
  - d. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations with respect to Food Safety and Standards Act, Employees related Laws, Environmental Laws, Intellectual Property Laws, Municipality Laws to the extent applicable, Direct and Indirect Tax Laws, Land Laws of respective States, Shops and Establishments Legislations and other local Laws as applicable.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously at Board Meetings and Committee Meetings and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc., referred to above.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[CS P. MAHESHWARI]**  
**PARTNER**

**FCS No. : 2405**  
**COP No. : 1432**

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

## 'Annexure I' to Secretarial Audit Report

To,  
**The Members,**  
**Speciality Restaurants Limited**  
Uniworth House,  
3A, Gurusaday Road,  
Kolkata – 700 019.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[CS P. MAHESHWARI]**  
**PARTNER**  
**FCS No. : 2405**  
**COP No. : 1432**

Place: Mumbai  
Date: 27<sup>th</sup> May, 2015



### ANNEXURE D forming part of Directors' Report

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of remuneration of each Director to the median remuneration of the Employees of the Company and the percentage increase in remuneration of Managing Director, Whole-time Directors, Executive Director-Finance & CFO and Company Secretary for the financial year 2014-15 are given below:-

Sr. No.	Name of the Director/Key Managerial Personnel ("KMP")	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Mr. Anjan Chatterjee	Managing Director	49.45	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director	17.31	Nil
3	Mr. Indranil Chatterjee	Whole-time Director	17.31	Nil
4	Mr. Rajesh Kumar Mohta	Executive Director-Finance and CFO	Not Applicable	Nil
5	Mr. V.S. Satyamoorthy	Company Secretary	Not Applicable	Nil

Note: The Non-Executive Directors of the Company are entitled to sitting fees and commission as per the provisions of the Companies Act, 2013 and within the limits approved by the Members. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and are governed by the Remuneration Policy applicable to Non-Executive Directors. The ratio of remuneration and percentage increase for Non-Executive Directors' Remuneration are therefore not considered for this purpose.

2. The percentage increase in the median remuneration of Employees in the financial year 2014-15 was 26.40 %.
3. The Company has 4,412 permanent Employees on the rolls of the Company as on March 31, 2015.
4. Relationship between average increase in remuneration and company performance:
- (i) Average increase in Remuneration overall: 14.86%
- (ii) Company Performance in terms of Total Revenue Compared to Previous Year: 12.20%
5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company  
Remuneration of KMP as compared to Revenue for the year: 0.48%
6. Other Details

Sr. No.	Particulars	Remarks
1	Variation in the market capitalization.	Increase by 23.85%.
2	Price earnings ratio as at the closing of the current financial year i.e. March 31, 2015.	87.46
3	Price earnings ratio as at the closing of the previous financial year i.e. March 31, 2014.	35.31
4	Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	Increase by 17.2%.
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year.	During the financial year 2014-15, the overall salary of the Employees increased to around 15.37%.
6	Percentile increase in managerial remuneration.	Not applicable since there was no increase in the managerial remuneration as compared to previous year.
7	The comparison with the percentile increase in the Employees remuneration with managerial remuneration and justification thereof.	Not comparable as there was no increase in the remuneration of managerial personnel.
8	Any exceptional circumstances for increase in the managerial remuneration.	N.A.

7. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:  
The remuneration of the Key Managerial Personnel("KMP") are as follows:-

Sr. No.	Name of the KMP	Remuneration as a percentage of the revenue
1	Mr. Anjan Chatterjee	0.20%
2	Mrs. Suchhanda Chatterjee	0.07%
3	Mr. Indranil Chatterjee	0.07%
4	Mr. Rajesh Kumar Mohta	0.10%
5	Mr. V.S.Satyamoorthy	0.05%

8. The key parameters for any variable component of remuneration availed by the directors:-  
Not applicable since there are no variable components of remuneration availed by the Executive Directors
9. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director of the year:- None
10. Affirmation that the remuneration is as per the remuneration policy of the Company:  
It is affirmed that the remuneration is as per the remuneration policy of the Company.



**Annexure E forming part of Directors' Report**

Information as per Rule 5 (2) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2015

1	Name of the Employee	Anjan Chatterjee
2	Designation of Employee	Managing Director
3	Remuneration received	₹ 60,00,000/-
4	Nature of Employment	Contractual
5	Qualifications and Experience of the Employee	Bachelor's Degree in Science and Diploma in Hotel Management and experience of over 30 years in the Hospitality and Restaurant Industry.
6	Date of Commencement of employment	1-12-1999
7	Age of the Employee	56 years
8	Last employment held by the employee before joining the Company	Management Trainee in The Indian Hotels Company Limited.
9	Percentage of equity shares held by the employee drawing remuneration more than the remuneration drawn by the Managing Director or Whole-time Director or Manager and holds by himself or alongwith his spouse and dependent children not less than two percent of the equity shares of the Company.	Not applicable since the above Employee is the Managing Director of the Company and he together with his relatives hold 51.20% of the equity shares of the Company.
10	Whether the employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager	Yes. He is related to Mrs. Suchhanda Chatterjee (Spouse), Whole-time Director of the Company.



**ANNEXURE F forming part of the Director's Report  
FORM NO. MGT-9  
Extract of Annual Return**

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i. CIN:-	L55101WB1999PLC090672
ii. Registration Date:-	1 <sup>st</sup> December, 1999
iii. Name of the Company:-	Speciality Restaurants Limited
iv. Category / Sub-Category of the Company:-	Company limited by shares/Indian Non-Government Company
v. Address of the Registered office and contact details:-	Uniworth House, 3A Gurusaday Road, Kolkata, West Bengal-700019. Tel. No: (91 33) 22837964/65/66 Fax No: (91 33) 22809282 Email: <a href="mailto:corporate@speciality.co.in">corporate@speciality.co.in</a> Website: <a href="http://www.speciality.co.in">www.speciality.co.in</a>
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	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 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Restaurants & Mobile food service activity	5610	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	Love Sugar and Dough Private Limited Registered Office: Hari Om Chambers, 5th Floor, B/16, Veera, Industrial Estate, Off New Link Road, Andheri-West, Mumbai- 400053.	U15122MH2013PTC249230	Subsidiary	51%	2(87)
2	Mainland China Restaurant, LLP P O Box No. 220 Doha, Qatar.	N.A Foreign Company	Associate (Joint Venture)	49%	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,84,99,905	0	2,84,99,905	60.69	2,40,40,000	0	2,40,40,000	51.20	-9.49
b) Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other - Relatives	57	0	57	0.00	57	0	57	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>2,84,99,962</b>	<b>0</b>	<b>2,84,99,962</b>	<b>60.69</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.20</b>	<b>-9.49</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,84,99,962</b>	<b>0</b>	<b>2,84,99,962</b>	<b>60.69</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.20</b>	<b>-9.49</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	30,37,442	0	30,37,442	6.47	51,39,109	0	51,39,109	10.94	4.47



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Banks / FI	17,780	0	17,780	0.04	14,821	0	14,821	0.03	-0.01
c) Central/ State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	3,64,995	0	3,64,995	0.78	0	0	0	0.00	-0.78
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs	37,61,300	0	37,61,300	8.01	83,18,110	0	83,18,110	17.71	9.70
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
a) Trust	1,050	0	1,050	0.00	1,448	0	1,448	0.00	0.00
b) Foreign Portfolio Investor	0	0	0	0.00	80,644	0	80,644	0.17	0.17
<b>Sub-total (B)(1):-</b>	<b>71,82,567</b>	<b>0</b>	<b>71,82,567</b>	<b>15.30</b>	<b>1,35,54,132</b>	<b>0</b>	<b>1,35,54,132</b>	<b>28.86</b>	<b>13.56</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	19,99,356	0	19,99,356	4.26	4,60,074	0	4,60,074	0.98	-3.28
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals.									
i) Individual shareholder holding nominal share capital upto ₹ 1 lakh	27,77,009	104	27,77,113	5.91	22,27,512	110	22,27,622	4.74	-1.17
ii) Individual shareholder holding nominal share capital in excess of ₹ 1 lakh	12,29,518	0	12,29,518	2.62	13,35,269	0	13,35,269	2.84	0.22
c) Others									
i) Clearing Member	65,453	0	65,453	0.14	20,969	0	20,969	0.04	-0.10
ii) Non Resident Indian (Repat)	1,41,610	0	1,41,610	0.30	1,50,045	0	1,50,045	0.32	0.02
iii) Non Resident Indian (Non Repat)	60,279	0	60,279	0.13	1,67,690	0	1,67,690	0.36	0.23
iv) Foreign Companies	49,97,640	0	49,97,640	10.64	49,97,640	0	49,97,640	10.64	0.00
v) Director/Relative of director	4,159	0	4,159	0.01	4,159	0	4,159	0.01	0.00
<b>Sub-total (B)(2):-</b>	<b>1,12,75,024</b>	<b>104</b>	<b>1,12,75,128</b>	<b>24.01</b>	<b>93,63,358</b>	<b>110</b>	<b>93,63,468</b>	<b>19.94</b>	<b>-4.07</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,84,57,591</b>	<b>104</b>	<b>1,84,57,695</b>	<b>39.31</b>	<b>2,29,17,490</b>	<b>110</b>	<b>2,29,17,600</b>	<b>48.81</b>	<b>9.50</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4,69,57,553</b>	<b>104</b>	<b>4,69,57,657</b>	<b>100.00</b>	<b>4,69,57,547</b>	<b>110</b>	<b>4,69,57,657</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Anjan Chatterjee	1,65,29,905	35.20	0	1,20,70,000	25.70	0	-9.49
2	Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	0	1,19,70,000	25.49	0	0
	<b>Total</b>	<b>2,84,99,905</b>	<b>60.69</b>	<b>0</b>	<b>2,40,40,000</b>	<b>51.19</b>	<b>0</b>	<b>-9.49</b>

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.		Change in Shareholding (Sale of Shares)	Date of change in Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year - Mr. Anjan Chatterjee - Promoter	-	-	1,65,29,905	35.20	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc	-11,00,000	24.09.2014	-	-	1,54,29,905	32.86
		-12,00,000	19.12.2014	-	-	1,42,29,905	30.30
		-11,29,905	04.03.2015	-	-	1,31,00,000	27.90
		-10,30,000	18.03.2015	-	-	1,20,70,000	25.70
	At the End of the year	-	-	-	-	1,20,70,000	25.70

There is no change in the Shareholding pattern of the Promoter Mrs. Suchhanda Chatterjee between 01.04.2014 to 31.03.2015.



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	Share holding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	SAIF III Mauritius Company Limited*	01-04-2014	Opening Balance	49,97,640	10.64	49,97,640	10.64
		31-03-2015	Closing Balance	-	-	49,97,640	10.64
2	SAIF Advisors Mauritius Limited A/C SAIF India IV FII Holdings Limited*	01-04-2014	Opening Balance	28,10,403	5.99	28,10,403	5.99
		30.09.2014	Purchase	10,67,561	2.27	38,77,964	8.26
		31-03-2015	Closing Balance	-	-	38,77,964	8.26
3	Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund*	01-04-2014	Opening Balance	24,42,163	5.20	24,42,163	5.20
		31-03-2015	Closing Balance	-	-	24,42,163	5.20
4	M/s Napean Trading And Investment Co Pvt Ltd@	01-04-2014	Opening Balance	8,51,557	1.81	8,51,557	1.81
		23-05-2014	Sale	2,50,000	0.53	6,01,557	1.28
		13-06-2014	Sale	2,67,664	0.57	3,33,893	0.71
		04-07-2014	Sale	88,292	0.19	2,45,601	0.52
		11-07-2014	Sale	65,216	0.14	1,80,385	0.38
		01-08-2014	Sale	14,491	0.03	1,65,894	0.35
		22-08-2014	Sale	1,43,855	0.31	22,039	0.05
		29-08-2014	Sale	22,039	0.05	0	0.00
		31-03-2015	Closing Balance	-	-	0	0.00
		5	Azim Hasham Premji@	01-04-2014	Opening Balance	6,34,346	1.35
29-08-2014	Sale			1,00,000	0.21	5,34,346	1.14
05-09-2014	Sale			2,85,624	0.61	2,48,722	0.53
12-09-2014	Sale			1,35,542	0.29	1,13,180	0.24
19-09-2014	Sale			94,025	0.20	19,155	0.04
30-09-2014	Sale			19,155	0.04	0	0.00
31-03-2015	Closing Balance			-	-	0	0.00
6	Eastspring Investments-India Equity Fund*	01-04-2014	Opening Balance	6,08,354	1.30	6,08,354	1.30
		12-12-2014	Sale	10,582	0.02	5,97,772	1.27
		19-12-2014	Sale	11,588	0.02	5,86,184	1.25
		31-12-2014	Sale	21,700	0.05	5,64,484	1.20
		31-03-2015	Closing Balance	-	-	5,64,484	1.20
7	Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/c Axis Long Term Equity Fund*	01-04-2014	Opening Balance	5,95,279	1.27	5,95,279	1.27
		13-06-2014	Purchase	1,98,000	0.42	7,93,279	1.69
		21-11-2014	Purchase	2,00,000	0.43	9,93,279	2.12
		31-03-2015	Closing Balance	-	-	9,93,279	2.12
8	PI Opportunities Fund I@	01-04-2014	Opening Balance	3,64,995	0.78	3,64,995	0.78
		30-09-2014	Sale	58,873	0.13	3,06,122	0.65
		03-10-2014	Sale	19,000	0.04	2,87,122	0.61
		10-10-2014	Sale	2,87,122	0.61	0	0.00
		31-03-2015	Closing Balance	-	-	0	0.00
9	M/s Vidya Investment And Trading Co Pvt Ltd@	01-04-2014	Opening Balance	2,60,000	0.55	2,60,000	0.55
		23-05-2014	Sale	1,20,131	0.26	1,39,869	0.30
		30-05-2014	Sale	1,33,708	0.29	6,161	0.01
		13-06-2014	Sale	6,161	0.01	0	0.00
		31-03-2015	Closing Balance	-	-	0	0.00
10	Glix Securities Pvt. Ltd*	01-04-2014	Opening Balance	2,32,602	0.50	2,32,602	0.50
		06-06-2014	Sale	19,800	0.04	2,12,802	0.45
		11-07-2014	Sale	2,00,000	0.43	12,802	0.03
		30-01-2015	Sale	2,802	0.01	10,000	0.02
		27-03-2015	Purchase	1,000	0.00	11,000	0.02
		31-03-2015	Closing Balance	-	-	11,000	0.02



Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	Share holding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
11	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust #	01-04-2014	Opening Balance	0	0.00	0	0.00
		29-08-2014	Purchase	6,608	0.01	6,608	0.01
		05-09-2014	Purchase	1,61,222	0.34	1,67,830	0.36
		12-09-2014	Purchase	1,64,851	0.35	3,32,681	0.71
		19-09-2014	Purchase	92,274	0.20	4,24,955	0.90
		30-09-2014	Purchase	90,599	0.19	5,15,554	1.10
		03-10-2014	Purchase	466	0.00	5,16,020	1.10
		10-10-2014	Purchase	1,49,555	0.32	6,65,575	1.42
		17-10-2014	Purchase	935	0.00	6,66,510	1.42
		24-10-2014	Purchase	16,665	0.04	6,83,175	1.45
		31-10-2014	Purchase	5,585	0.01	6,88,760	1.47
		21-11-2014	Purchase	24,000	0.05	7,12,760	1.52
		05-12-2014	Purchase	3,346	0.01	7,16,106	1.53
		13-03-2015	Purchase	5,65,000	1.20	12,81,106	2.73
		20-03-2015	Purchase	4,78,757	1.02	17,59,863	3.75
31-03-2015	Closing Balance	-	-	17,59,863	3.75		
12	L and T Mutual Fund Trustee Ltd-L and T Equity Fund #	01-04-2014	Opening Balance	0	0.00	0	0.00
		31-12-2014	Purchase	11,38,267	2.42	11,38,267	2.42
		09-01-2015	Purchase	15,000	0.03	11,53,267	2.46
		16-01-2015	Purchase	4,000	0.01	11,57,267	2.46
		13-02-2015	Purchase	10,000	0.02	11,67,267	2.49
		31-03-2015	Closing Balance	-	-	11,67,267	2.49
13	Paradice Global Small Mid Cap Fund #	01-04-2014	Opening Balance	0	0.00	0	0.00
		29-08-2014	Purchase	1,338	0.00	1,338	0.00
		05-09-2014	Purchase	32,200	0.07	33,538	0.07
		12-09-2014	Purchase	32,800	0.07	66,338	0.14
		19-09-2014	Purchase	21,700	0.05	88,038	0.19
		30-09-2014	Purchase	21,800	0.05	1,09,838	0.23
		03-10-2014	Purchase	100	0.00	1,09,938	0.23
		10-10-2014	Purchase	35,100	0.07	1,45,038	0.31
		17-10-2014	Purchase	200	0.00	1,45,238	0.31
		24-10-2014	Purchase	3,800	0.01	1,49,038	0.32
		31-10-2014	Purchase	2,125	0.00	1,51,163	0.32
		21-11-2014	Purchase	21,326	0.05	1,72,489	0.37
		05-12-2014	Purchase	5,450	0.01	1,77,939	0.38
		16-01-2015	Purchase	10,364	0.02	1,88,303	0.40
		27-02-2015	Purchase	10,062	0.02	1,98,365	0.42
		13-03-2015	Purchase	2,10,000	0.45	4,08,365	0.87
		20-03-2015	Purchase	1,96,400	0.42	6,04,765	1.29
		31-03-2015	Closing Balance	-	-	6,04,765	1.29
14	TFL Pension Fund #	01-04-2014	Opening Balance	0	0.00	0	0.00
		05-09-2014	Purchase	52,900	0.11	52,900	0.11
		12-09-2014	Purchase	54,100	0.12	1,07,000	0.23
		19-09-2014	Purchase	30,300	0.06	1,37,300	0.29
		30-09-2014	Purchase	29,800	0.06	1,67,100	0.36
		03-10-2014	Purchase	200	0.00	1,67,300	0.36
		10-10-2014	Purchase	49,300	0.10	2,16,600	0.46
		17-10-2014	Purchase	300	0.00	2,16,900	0.46
		24-10-2014	Purchase	5,500	0.01	2,22,400	0.47
		31-10-2014	Purchase	1,800	0.00	2,24,200	0.48
		21-11-2014	Purchase	9,000	0.02	2,33,200	0.50
		05-12-2014	Purchase	1,300	0.00	2,34,500	0.50
		13-03-2015	Purchase	1,76,405	0.38	4,10,905	0.88
		20-03-2015	Purchase	1,61,200	0.34	5,72,105	1.22
		31-03-2015	Closing Balance	-	-	5,72,105	1.22
15	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund #	01-04-2014	Opening Balance	0	0.00	0	0.00
		23-05-2014	Purchase	2,50,000	0.53	2,50,000	0.53
		30-05-2014	Purchase	579	0.00	2,50,579	0.53
		06-06-2014	Purchase	9,836	0.02	2,60,415	0.55
		13-06-2014	Purchase	35,485	0.08	2,95,900	0.63
		20-06-2014	Purchase	21,016	0.04	3,16,916	0.67
		30-06-2014	Purchase	6,584	0.01	3,23,500	0.69
		22-08-2014	Purchase	35,000	0.07	3,58,500	0.76
		31-03-2015	Closing Balance	-	-	3,58,500	0.76

**Note:** \*Common top 10 shareholders as on April 1, 2014 and March 31, 2015

@Top 10 shareholders only as on April 1, 2014

# Top 10 shareholders only as on March 31, 2015



(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP	Shareholding at the beginning of the year		Date of the transaction	Purchase/ Sale of Shareholding	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
Mr. Anjan Chatterjee	1,65,29,905	35.20	-	-	1,65,29,905	35.20
	-	-	24.09.2014	Sale 11,00,000	1,54,29,905	32.83
	-	-	19.12.2014	Sale 12,00,000	1,42,29,905	30.30
	-	-	04.03.2015	Sale 11,29,905	1,31,00,000	27.90
	-	-	18.03.2015	Sale 10,30,000	1,20,70,000	25.70
At the end of the year	-	-	-	-	1,20,70,000	25.70
Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	-	-	-	-
At the end of the year	-	-	-	-	1,19,70,000	25.49
Mr. Indranil Chatterjee	1,299	-	-	-	1,299	-
At the end of the year	-	-	-	-	1,299	-
Mr. Dushyant Mehta	1,280	-	-	-	1,280	-
At the end of the year	-	-	-	-	1,280	-
Mr. Rajesh Kumar Mohta	1,280	-	-	-	1,280	-
At the end of the year	-	-	-	-	1,280	-
Mr. V.S. Satyamoorthy	400	-	-	-	400	-
At the end of the year	-	-	-	-	400	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,01,90,293	-	-	1,01,90,293
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,01,90,293</b>	<b>-</b>	<b>-</b>	<b>1,01,90,293</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	39,47,756	-	-	39,47,756
<b>Net Change</b>	<b>39,47,756</b>	<b>-</b>	<b>-</b>	<b>39,47,756</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	62,42,537	-	-	62,42,537
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>62,42,537</b>	<b>-</b>	<b>-</b>	<b>62,42,537</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Anjan Chatterjee (MD)	Mrs. Suchhanda Chatterjee (WTD)	Mr. Indranil Chatterjee (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	21,00,000	21,00,000	1,02,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option granted during the year 2013-14	-	-	50,000 options	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>60,00,000</b>	<b>21,00,000</b>	<b>21,00,000</b>	<b>1,02,00,000</b>

The remuneration to Managing Director and Whole-time Directors was within the ceiling as per the Companies Act, 2013 (@ 10% of the Profits calculated under Section 198 of the Companies Act, 2013).



**B. Remuneration to other Directors:**

(In ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Susim Mukul Datta	Mr. Jyotin Mehta	Mr. Dushyant Mehta	Mr. Tara Sankar Bhattacharya	Mr. Vishal Sood (resigned wef 20.03.2015)	
1	<b>Independent Directors</b>						
	• Fee for attending board committee meetings	75,000	1,55,000	1,55,000	70,000	-	4,55,000
	• Commission paid for the year 2013-14	4,00,000	3,84,000	3,50,000	3,33,000	-	14,67,000
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>4,75,000</b>	<b>5,39,000</b>	<b>5,05,000</b>	<b>4,03,000</b>	<b>-</b>	<b>19,22,000</b>
2	<b>Other Non-Executive Directors</b>						
	• Fee for attending board committee meetings	-	-	-	-	-	-
	• Commission for the year 2013-14	-	-	-	-	33,000	33,000
	• Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>33,000</b>
	<b>Total (B)=(1+2)</b>	<b>4,75,000</b>	<b>5,39,000</b>	<b>5,05,000</b>	<b>4,03,000</b>	<b>33,000</b>	<b>19,55,000</b>
	<b>Total Managerial Remuneration</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,55,000</b>

The commission to other Directors was within the ceiling as per the Companies Act, 2013 (@ 1% of the Profits calculated under Section 198 of the Companies Act, 2013).

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rajesh Kumar Mohta - Executive Director Finance & CFO	Mr. V.S. Satyamoorthy - Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,71,800	15,20,448	44,92,248
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option granted during the year 2013-14	38,400 options	19,000 options	57,400 options
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total Remuneration paid in FY 2014-15</b>	<b>29,71,800</b>	<b>15,20,448</b>	<b>44,92,248</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.



## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Economic Overview***

As per the Central Statistical Organisation, the Indian Economy has grown by 7.3% during the fiscal year ended March 2015. The Mid-Year Economic Review estimated retail inflation measured by Consumer Price Index (CPI) to be in the range of 5.1%-5.8% over the next five quarters.

The World Bank has predicted India's Gross Domestic Product (GDP) could grow at the rate of 8% by 2017 and said that a strong expansion in the country, coupled with favourable oil prices, would accelerate economic growth in South Asia. In India, GDP growth is expected to accelerate to 7.5% in fiscal year 2015-16. It could reach 8% in 2017-18 on the back of significant acceleration of investment growth to 12% during the next two fiscal years, the Bank said in its semi-annual report. The country is attempting to shift from consumption to investment-led growth.

Reserve Bank of India (RBI) has taken a conservative approach to project 6% consumer price inflation rate by January, 2016. More importantly, RBI has scaled down its own GDP growth projection to 7.6% for 2015-16. Earlier, in RBI's first bi-monthly policy statement for 2015-16 that assumed a normal monsoon, continuation of the cyclical upturn in a supportive policy environment and no major structural change or supply shocks, the output growth for 2015-16 was projected at 7.8%, higher by 30 basis points from 7.5% in 2014-15. It has listed uncertainty surrounding the arrival and distribution of the monsoon and unanticipated global developments as the two major risks to its baseline growth projections.

RBI has projected the Gross Value Added (GVA) to grow at 8.1% in 2016-17, assuming gradual recovery on the back of a supportive policy environment. While the monsoon could hit agricultural output, the possibility of a sharp increase in crude oil prices could hit world demand due to a rise in input prices. On the other hand, the investment-led growth model provided in the Budget could help boost growth, RBI said in its monetary policy report.

The fall in oil prices which results in lower import bills for the country, is expected to have a positive impact on the overall economy and reign in the inflationary pressures. Notwithstanding deflation in wholesale prices, food inflation remains 'a concern' and could rise further, as per the report by Dun & Bradstreet which was reported by the Press Trust of India. According to the global research firm, comfort from the decline in fuel inflation may soon start to abate following the rise in domestic petrol and diesel prices. The report indicated that the already elevated food prices could rise further in the event of an unfavourable rabi harvest, thereby exerting pressure on overall inflation.

### ***Food and Services Industry-Overview***

The Indian food industry is poised for significant growth, increasing its contribution in world food trade every year. In India, the food sector has emerged as profitable sector based on the opportunity it offers for value addition, particularly with the food processing industry getting recognized as a high-priority area. Consequently, the Indian food service industry is expected to reach USD 78 billion by 2018.

More than 70% of the food services industry in India comprises the unorganised sector as compared to the 20% licensed restaurant market. The food consumption habits of Indians are changing and they eat out more often or they order for take away food. This is a function of rising disposable income and change in lifestyle.

### **Industry Trends**

#### **Eating Out as an Occasion**

An increase in the working population, urbanization and consumerism are some other factors for growth in the food service industry. Eating out is not restricted on occasions but has become an occasion in itself.

#### **Technology Platforms**

Another noticeable trend today is that consumers have begun to use technology in a big way to research restaurants online before making a decision about where they would like to eat.

#### **Age Group**

The largest segments of customers who eat out are in the age group of 21 to 30 years and this group makes up 40% of the customer profile followed by customers in the age group of 31 to 40 years. These customers are obviously professionals and 30% of their monthly consumption expenditure goes into foods and beverages.

A research by MindShift Metrics in association with Social Samosa reveals that approximately 89% of people in the age group of 18 to 35 years visit a fine dining venue once a month. It is noticed that the eating pattern largely depend upon offers, discounts, loyalty membership etc., because 59% people eat out on the weekdays. The need for service, ambience and food is basic but with changing times, the insights showcase how music and seating preferences play an equally important role.

#### **Pricing as the Deciding Factor**

As much as 73% of customers consider price to be the biggest decider when eating out. These consumers eat out when there are offers, discounts or loyalty memberships and are different from customers whose eating out is need based rather than an eating out experience.

#### **Market Segments**

The market segment of the food service industry that is right on top are the Quick Service Restaurants (QSR) with 43% market share followed by casual dine-in at 31% while cafe chains, frozen desserts and ice-creams form 6% of the share followed by fine dining at 4% and the rest of the market is shared by pubs, bars, clubs and lounges. QSR and casual dine-in are popular with the working professionals while fine dining is family and occasion oriented.





## **Evolving Customer Preferences**

Rising incomes, increasing working population, expanding urbanization and spiraling consumerism have evolved the lifestyle of today's progressive Indian and he has become more demanding as Indians have started travelling abroad a lot more. This has led to the need for advancements and innovations across industries to keep pace with the consumer's needs. The same is the case with the restaurant industry which needs to respond to this change in the social and business environment.

According to latest research, Indian food services industry is largely driven by changing consumer preferences. Key players in the industry are continuously monitoring such patterns and accordingly offering innovative and new products. Whether it is the health-conscious nature of a particular age group or changing consumer taste; the Indian food service industry has started a regular modification of product and services. Customisations of products and services has become the key success driver in today's industry.

## **Increasing Demand for World Cuisines**

Consumers in India are continuously changing their preferences and have begun to experiment with various world cuisines and this is a growing trend in all metros. The food service industry has taken note of these changing trends and begun to cater to these demands by serving a variety of foods from across the world like Italian, Mexican, Japanese, Middle Eastern and European, African besides the popular Chinese, Thai and American fast foods.

## **Fine Dining in Malls**

As a vital sub-category of food retail in malls, fine-dining restaurants offer a controlled operating environment atmosphere and provide parking, which is a very essential factor to any retail establishment's success. Also, because they are juxtaposed with other and often lower-grade eating establishments, they offer the opportunity of displaying a visible degree of class differentiation. Mall developers consider fine-dining restaurants very important to their overall tenant mix because they help the establishment to attain a degree of exclusiveness and give customers a more holistic experience.

Over the last couple of years, fine dining restaurants have been on the rise in India, and many operators are coming up with novel concepts. The upwardly mobile Indian customer has lapped it all up, and there is a significant increase in interest by mall operators to include fine dining options. There is a lot of space for more brands in the ecosystem, and this market is bound to grow astronomically over the next 3 to 5 years. (Source: [www.joneslanglasalleblog.com](http://www.joneslanglasalleblog.com))

## **Competitive Advantage**

During the financial year 2014-15, the Company has opened 14 restaurants of which 10 were Company Owned Company Operated (COCO) and 4 were Franchise Owned Company Operated (FOCO). In these four FOCO restaurants, two are at the international destination of Dar es Salaam, Tanzania. The Company ended financial year 2014-15 with 115 restaurants and confectionaries.

Speciality Restaurant continues to enjoy leadership positioning in the Fine Dining Industry. The key to this has been the continuous and well-paced focus on innovation, building on existing strengths and pragmatic expansions.

Mainland China, our flagship brand focuses on serving Chinese cuisine with contrasting flavours and spices. The Company has succeeded in retaining a high brand recall over the years and has won many awards for the same.

Speciality Restaurants has gone in for a Brand Refresh and opened a new restaurant under the brand 'Mainland China Asia Kitchen' at Oberoi Mall in Goregaon (East), Mumbai. It has 60 per cent of Mainland China's offerings but there is 40 per cent value addition in the form of Pan Asian cuisine which includes gourmet dishes from Hong Kong, Singapore, Malaysia, Thailand, Japan, Korea, Myanmar in addition to China. The outlet has a more casual atmosphere with a much younger crowd mix. Based on the overwhelming response, the second outlet was opened at Palladium Mall, Phoenix Mills, Lower Parel, Mumbai.

Oh! Calcutta continues to be the coveted destination for Bengali food lovers and remains one of our core brands. 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.

Sigree Global Grills has already become a core brand serving grilled flavors from Mediterranean, Oriental, Spanish, Mexican and Indian cuisine. It has an innovative format with live grills on each table.

Hoppipola which was launched to attract younger generation has seen two more outlets opened in Mumbai, after getting a good response in Bengaluru and Pune. It is an All Day Bar serving finger food, bar nibbles and innovative mocktails. Its target market is those of young-at-heart.

Cafe Mezzuna which offers European food extends the cuisines and makes the brand portfolio well rounded. It serves dishes with Mediterranean, Moroccan, Spanish, French and Italian flavors alongwith a complementing bar menu.

Sweet Bengal is a chain of confectionaries serving traditional Bengali sweets and snacks created with pure cow's milk by "Karigars" from West Bengal. The company plans to keep its expansion focused on Mumbai, for now.

The Haka menu features modern Chinese cuisine with small dishes including dim sum and other snacks typically found in modern Chinese casual diners in Hong Kong and Shanghai city streets. The contemporary ambience of each Haka restaurant is created by red walls and modern impressionist's artwork. The design and construction emphasizes efficiency and functionality in layout.

Launched in 2007 as a bar with dance floor and music, Kix is targeted at young professional segment of the Indian population. Shack was launched in 2009 as a bar lounge with a beach theme targeted at the young Indian professional segment. Kibbeh was launched in May 2010 as a Lebanese bar and lounge that is targeted at the young Indian professional segment.

With one outlet of Zoodles, a Quick Service Restaurant, Speciality Restaurant is proceeding cautiously with a Hub and Spokes model to ensure smooth operations without compromise on quality and service.



## Risk Mitigation

### Raw Material Costs:

In addition to renewing contracts at better rates, the Company is undertaking import substitution to the extent that quality is not compromised.

### Fixed Costs:

Going forward, in order to reduce the overhead cost of individual restaurants, the new restaurants which are being introduced are of a more compact size. The kitchen area which used to be 1500 square feet has already been reduced to 800-900 square feet. This will reduce the fixed costs to a great extent. Similarly, every aspect of cost is being looked into and measures to further enhance efficiencies are being implemented.

### Productivity:

In order to improve the realization from a particular store or improvement on per square feet basis, the Company is working towards keeping restaurants open between lunch and dinner also at feasible locations, thereby enhancing sales and productivity.

### Increasing Competition:

The two cornerstones of having a competitive edge remain brand innovation for the existing brands and introduction of new brands targeted at niche cuisines or customer markets. Hoppipola which is specifically for younger crowds and Mezzuna which covers European cuisine are examples of the same. Mainland China is now being positioned as Mainland China Asia Kitchen. Here, the Company has included Pan Asian dishes in addition to the traditional forte of Chinese cuisine. Sigree Global Grill is being positioned as another flagship brand and is receiving a great response.

### 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.

The Company has its own appropriate internal control systems in place including monitoring procedures to ensure that all assets are protected against loss from unauthorized use or disposition. Your Company has adequately insured 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.

The Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorised, recorded and reported correctly.

The Company's internal financial control systems are commensurate with the nature of its business, the size and complexity of operations.

These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company uses an Enterprise Resource Planning (ERP) application to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

The Audit Committee of the Board reviews the performance of the internal audit and compliance functions and its effectiveness of controls and compliance with regulatory guidelines.

The Managing Director and Executive Director-Finance & CFO of the Company have provided a certificate on the adequacy of internal controls systems and procedures, which forms part of this annual report.

### Risk Management

The Company's Enterprise Risk Management Framework ("ERM") involves risk identification, assessment and risk mitigation planning for strategic, operational, regulatory, financial and market risks.

The Company has constituted a Steering Committee for reviewing the risk register and risk dashboards, initiation and completion of Additional Mitigation Measures and timeliness for completion and ongoing effectiveness of overall ERM Framework.

### 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, 2013 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 2014-15

Financial Performance as a measure of Operational Performance

##### a) Total Revenue

			(₹ In Millions)	
	2014-15	2013-14	Change (₹)	Change (%)
Revenue From Operations	2993.8	2638.5	355.3	13.5
Other Income	77.1	98.4	-21.3	-21.6
<b>Total</b>	<b>3070.9</b>	<b>2736.9</b>	<b>334.0</b>	<b>12.2</b>



Total Income which comprises Revenues from Operations and Other Income registered a growth of 12.20% for the year. The increase in revenue operations was mainly due to the revenue from new restaurants opened during the year and partly due to the full year operations of the restaurants which were opened during part of the period in the previous year.

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

**b) Cost of Material Consumed** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Cost of Material Consumed	940.8	759.1	181.7	23.9

Cost of Materials consumed for the year has gone up by 23.9% as compared to the previous year. This was primarily due to increase in restaurants coupled with increase in raw material costs on account of inflation.

**c) Employee Benefit Expenses** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Employee Benefit Expenses	719.6	612.5	107.1	17.5%

Employee Benefit Expenses comprises salary, bonus, allowances, Staff welfare expenses and Company's contribution to Provident Fund and Gratuity. There is an overall 17.5% 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.

**d) Finance Costs** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Interest	0.8	0.7	0.1	14.3%

There was no Long-term/Short-term debt raised during the year except vehicle loans.

**e) Depreciation / Amortisation / Impairment** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Depreciation and Amortisation / Impairment Expenses	252.3	190.3	62.0	32.6%

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 2013-14. The amortisation expenses are towards intangible assets. (Software, Patents and Trademarks), Impairment charges aggregating to ₹ 7.1 million against previous year of ₹ 6.2 million.

Pursuant to the enactment of the Companies Act 2013 (the 'Act'), effective April 1, 2014, the Company has reviewed and revised the estimated economic useful lives of its fixed assets generally in accordance with those provided in Schedule II to the Act. As a result (after considering the transitional provision specified in Schedule II), the Depreciation charge for the year under review was higher by ₹ 23.3 million.

**f) Other Expenses** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Other Expenses	1042.2	927.3	114.9	12.4

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** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Profit Before Tax (PBT)	115.2	247.0	-131.8	-53.4
Profit After Tax (Net Profit)	94.5	188.9	-94.4	-50.0

Apart from the macro factors, downward trend of discretionary spends coupled with increased cost of materials impacted the margin resulted in reduced profitability.

**Financial Position**

**a) Network** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Paid Up Share Capital	469.6	469.6	-	-
Reserves & Surplus	2606.6	2569.6	37.0	1.4
<b>Total Network</b>	<b>3076.2</b>	<b>3039.2</b>	<b>37.0</b>	<b>1.2</b>

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



b) **Total Borrowings** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Short Term Borrowings	-	-	-	-
Long Term Borrowings	3.0	6.2	-3.2	-51.6
<b>Total Borrowings</b>	<b>3.0</b>	<b>6.2</b>	<b>-3.2</b>	<b>-51.6</b>

The decrease in borrowing during the financial year 2014-15 was due to repayment of vehicle loans in instalments. The Company did not have any debts on its books and thus continues to be a debt free company.

c) **Net Fixed Assets** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Fixed Assets after Depreciation (Net)	1615.9	1411.5	204.4	14.5

There was an overall increase of 14.5% in the Net Fixed Assets of the Company primarily due to addition of tangible assets in respect of new restaurants.

d) **Investments** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Non Current Investments	9.0	9.0	-	-
- Unquoted Investments				
Current Investments	794.8	1100.4	-305.6	-27.8
<b>Total</b>	<b>803.8</b>	<b>1109.4</b>	<b>-305.6</b>	<b>-27.6</b>

The Company's investment of surplus cash in Liquid Mutual Funds and subsidiary decreased by 27.8% due to redemption of funds from the Mutual Funds for utilization towards capital expenditure in new restaurants.

e) **Trade Receivables** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Outstanding for period exceeding six months from due date of payment				
- Considered Good	60.6	54.4	6.2	11.4
- Considered Doubtful	53.1	34.9	18.2	52.1
Others				
- Considered Good	91.5	142.1	-50.6	-35.6
- Considered Doubtful	-	-	-	-
Less : Provisions	53.1	34.9	18.2	52.1
<b>Total</b>	<b>152.1</b>	<b>196.5</b>	<b>-44.4</b>	<b>-22.6</b>

The decrease was primarily due to recovery of the outstanding dues on account of initial access premium from the franchisees and other receivables.

f) **Cash & Cash Equivalents** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Balance with Bank in Current Account	13.3	78.9	-65.6	-83.1
Balance with Bank in Fixed Deposits	45.0	45.9	-0.9	-2.0
Cash on Hand	4.0	4.9	-0.9	-18.4
Other Bank Balances in earmarked accounts	0.8	0.7	0.1	14.3
<b>Total</b>	<b>63.1</b>	<b>130.4</b>	<b>-67.3</b>	<b>-51.6</b>

Cash and Cash Equivalents decreased during the year due to parking of surplus cash temporarily in Mutual Funds/ Bank Fixed Deposits.

g) **Liabilities and Provisions** (₹ In Millions)

	2014-15	2013-14	Change (₹)	Change (%)
Current Liabilities	471.2	502.4	-31.2	-6.2
Non-Current Liabilities	3.0	6.2	-3.2	-51.6
<b>Total</b>	<b>474.2</b>	<b>508.6</b>	<b>-34.4</b>	<b>-6.8</b>

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

The decrease in non-current liabilities was on account of repayment of vehicle loans.

**Cautionary Statement**

This Annual Report and the Management Discussion and Analysis report contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of this Management Discussion and Analysis report and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which is in turn and based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

## 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 for the year ended March 31, 2015 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 to 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 and Non-Executive Directors. The Board comprises seven Directors, of whom four are Independent Directors including Chairman and three are Executive Directors.

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

During the financial year ended March 31, 2015, Mr. Vishal Sood resigned as a Director of the Company with effect from March 20, 2015. The particulars of Directors seeking re-appointment by the Members have been included in the Notice of the Annual General Meeting.

The Composition of the Board, category of Directors and details of shares held by them as on March 31, 2015 are as under:

Category	Name of the Directors	Designation	No. of Shares held
Promoter Directors	Mr. Anjan Chatterjee	Managing Director	1,20,70,000
	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)	1,19,70,000
Executive Director	Mr. Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)	1,299
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 seven (7) times during the year under review on May 28, 2014, August 11, 2014, October 15, 2014, November 12, 2014, December 13, 2014, February 10, 2015 and March 24, 2015.

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 Director at the Board Meetings held during the financial year 2014-15 and the last Annual General Meeting (AGM) of the Company held on September 15, 2014 and the number of Companies and Committees where they are Directors/Members as on March 31, 2015 are given below:-

Name of the Director	Category	Attendance Particulars		No. of Directorship/Committee Membership in other Public Companies as on March 31, 2015		
		No. of Board Meetings Attended	AGM	Directorships held in Indian Public Limited Companies	Directorship in other companies	Committee Membership/ (Chairmanship) in other public companies
Mr. Susim Mukul Datta	Non-Executive Chairman	5	Yes	9	1	6 (2)
Mr. Anjan Chatterjee	Managing Director	6	Yes	-	13	-
Mrs. Suchhanda Chatterjee	Whole time Director	5	Yes	-	9	-
Mr. Indranil Chatterjee	Whole time Director	6	Yes	-	5	-
Mr. Jyotin Mehta	Independent Director	7	Yes	1	-	1(1)
Mr. Tara Sankar Bhattacharya	Independent Director	3	Yes	7	-	2(0)
Mr. Dushyant Mehta	Independent Director	7	Yes	1	1	-
Mr. Vishal Sood*	Non-Executive Non-Independent Director	4	No	NA	NA	NA

\* Ceased to be a Director w.e.f. March 20, 2015



None of Directors of the Board serve as a member of more than ten committees or as Chairperson 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 the Stakeholders Relationship Committee.

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

#### 2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of Independent Directors of the Company was held on March 24, 2015 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management, the Board and its Committees which are necessary to effectively and reasonably perform and discharge their duties.

#### 2.5 Evaluation of Board's Performance

During the year, the performance evaluation exercise was carried out covering various aspects of the Boards functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman, who were evaluated on parameters such as contribution through participation at the meetings, guidance and advice provided to the executive Management from time to time, independent judgement, safeguarding of minority shareholders' interest and attendance etc.

The evaluation of the Independent Directors (including the Chairman) was carried out by the entire Board.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

### 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 the field of 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 meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met six times during the year under review on May 28, 2014, July 7, 2014, August 11, 2014, November 12, 2014, February 10, 2015 and March 7, 2015.

The particulars of Members and their attendance at the Meetings are as under:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Jyotn Mehta*	Chairman	Non-Executive Independent Director	6	6
Mr. Tara Sankar Bhattacharya@	Member	Non-Executive Independent Director	6	3
Mr. Anjan Chatterjee	Member	Managing Director	6	3
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	6	6

\* Appointed as Chairman w.e.f. March 24, 2015.

@ Ceased as Chairman w.e.f. March 24, 2015.

#### 3.2 Terms of reference

The terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Clause 49 of the Listing Agreement, as well as in Section 177 of the Companies Act, 2013 which are as follows:

- i. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, re-appointment and, if required, the replacement of statutory auditor and the fixation of audit fee;
- iii. Approving of payment to statutory auditors for any other services rendered by statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - 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.



- v. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- vi. 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;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- viii. Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems.
- ix. 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;
- x. Discussing with internal auditors on any significant findings and following up there on;
- xi. 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;
- xii. 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;
- xiii. Investigating the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- xiv. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- xv. Approval 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;
- xvi. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xvii. Approval or any subsequent modification of transactions of the company with related parties;
- xviii. Scrutiny of inter-corporate loans and investments;
- xix. Valuation of undertakings or assets of the Company wherever it is necessary; and
- xx. Evaluation of Internal Financial Controls and risk management systems.

### **3.3 Powers**

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

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **4. Nomination and Remuneration Committee**

The Board at its meeting held on May 28, 2014, reconstituted the Board Governance and Remuneration Committee as the Nomination and Remuneration Committee ("NRC") 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.

#### **4.1 Composition, Meetings and Attendance**

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 March 31, 2015 the Committee comprised of Mr. Dushyant Mehta, Mr. Jyotin Mehta and Mr. Susim Mukul Datta as its Members.

One meeting of NRC was held during the year under review on March 24, 2015, which was attended by all three Members of the Committee.

#### **4.2 Terms of reference**

The broad terms of reference of NRC include the following:

- i. 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.



- ii. To draft procedures and propose modifications thereof for the appointment of Members of the Board, Managing Director and Chief Executive Officer;
- iii. 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;
- iv. To recommend to the Board of Directors, the terms of compensation of the Executive Directors;
- v. To recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 2013;
- vi. To approve any changes in the system of remuneration of the Company's senior executives;
- vii. To prepare remuneration report to be included in the report on corporate governance forming part of the annual report of the Company;
- viii. 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 option.
- ix. 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 the performance evaluation of each of the directors of the Company including independent directors.
- x. 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.
- xi. The NRC while formulating the above policy shall ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. 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.

### 4.3 Remuneration Policy

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Personnel which is as under:

#### 4.3.1 Remuneration of Executive Directors

NRC shall determine the remuneration payable to the Whole-time/Managing Director and recommend to the Board for its approval. The Board's approval shall be subject to the prior or post approval ratification of the Members of the Company and/or central government, if required, under applicable laws. The Remuneration packages for the Whole-time/Managing Director(s) shall be in accordance with the applicable percentages/slabs/conditions as set out in the Articles of Association of the Company, the Companies Act, 2013 and rules made thereunder, which may be in force from time to time. The Whole-time/Managing Director(s) remuneration shall comprise of salary, perquisites and other allowances like medical insurance apart from other retirement benefits like Gratuity, etc., as per the Rules of the Company. The Whole-time/Managing Director is entitled to commission on net profits calculated in accordance with the performance of the Company, subject to the approval of the Board.





Minimum Remuneration: If in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time/ Managing Director(s) in accordance with the provisions of Schedule V of the Companies Act, 2013.

#### 4.3.2 Remuneration of Non-Executive Directors

Non-executive Directors may be paid remuneration in the form of sitting fees for attending the Board and Committee Meetings as fixed by the Board of Directors from time to time subject to the limits prescribed under the Companies Act, 2013.

In addition to the above the Non-Executive Directors may also be paid commission on net profits not exceeding 1% of the net profits of the Company as decided by the Board and approved by the Members from time to time.

The Non-Executive Directors are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable to the Non-Executive Directors and/or Whole-time/ Managing Director(s) beyond the permissible limit under the Companies Act, 2013 shall be subject to the approval of the Members at the Annual General Meeting by special resolution and/or of the Central Government as may be applicable.

#### 4.3.3 Remuneration to Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Remuneration to KMP and SMP other than Whole-time Directors/Managing Director is decided by the Managing Director. The remuneration consists of the following components:

- i. Basic Salary;
- ii. House Rent Allowance;
- iii. Other Allowances; and
- iv. Retirement benefits such as Contribution to PF, Gratuity, Ex-Gratia, etc. as per the Rules of the Company.

#### 4.3.4 Remuneration to Other Employees

The power to decide structure of remuneration for other employees has been delegated to HR department of the Company.

#### 4.3.5 Stock Options

Subject to the provisions of the Companies Act, 2013 the Whole-time/Managing Director(s), KMPs, SMPs may be eligible for stock option or any other benefits as may be decided by NRC from time to time except for:

- i. An Employee who is a promoter or relative of the promoter (s);
- ii. Any Director holding more than 10% of Equity Shares of the Company either directly or indirectly; and
- iii. Independent Directors.

#### 4.4 Remuneration to Directors

##### 4.4.1 Remuneration to Managing Director/Whole-time Directors of the Company

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

The remuneration package of Managing Director/Whole-time Directors comprises of salaries, allowances, perquisites and contribution to provident fund and other funds and/or commission. The details of remuneration paid for the financial year 2014-15 are summarised below:-

Sr. No.	Name of the Director	Designation	Salary, Allowances and Perquisites (₹)	Company's contribution to Provident Fund (₹)	Sitting Fees (₹)
1	Mr. Anjan Chatterjee	Managing Director	60,00,000/-	Nil	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)	21,00,000/-	Nil	Nil
3	Mr. Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)	21,00,000/-	Nil	Nil
<b>Total</b>			<b>1,02,00,000/-</b>	-	-

The Board granted 50,000 options during the financial year 2013-14 in favour of Mr. Indranil Chatterjee, Whole-time Director of the Company at an exercise price of ₹ 126.20 per share. The options granted to Mr. Indranil Chatterjee shall vest over a period of 4 years and are exercisable within 3 years from the date of vesting.

During the financial year 2014-15, 12,500 stock options were vested in favour of Mr. Indranil Chatterjee on September 6, 2014. No vested options were exercised by him as on March 31, 2015.

##### 4.4.2 Service contract, Notice period and Severance Fees

Services of Managing Director may be terminated by either party giving the other party 180 days' notice or the Company paying 180 days' salary in lieu thereof. Services of Whole-time Directors may be terminated by giving six months' notice from either side. There is no separate provision for payment of severance fees.



#### 4.4.3 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 ₹ 10,000/- per meeting of the Board of Directors and ₹ 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 March 31, 2014 subject to the overall limit of 1% of the net profits of the Company in pursuance of the approval granted by the Members of the Company at the Annual General Meeting held on August 13, 2013.

The details of payment of sitting fees and commission to the Non-Executive Directors during the financial year 2014-15 were as under:

Sr. No.	Name of the Director	Sitting fees paid (₹)	Commission paid for the year 2013-14 (₹)	Total (₹)
1	Mr. Susim Mukul Datta	75,000	4,00,000	4,75,000
2	Mr. Jyotin Mehta	1,55,000	3,84,000	5,39,000
3	Mr. Tara Sankar Bhattacharya	70,000	3,33,000	4,03,000
4	Mr. Dushyant Mehta	1,55,000	3,50,000	5,05,000
5	Mr. Vishal Sood	-	33,000	33,000
<b>Total</b>		<b>4,55,000</b>	<b>15,00,000</b>	<b>19,55,000</b>

#### 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ("SRC") has been constituted for the redressal of the grievances of security holders of the Company.

##### 5.1 Composition, Meetings and Attendance

As on March 31, 2015, 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 SRC. The Company Secretary acts as the Secretary to the Committee and is also the Compliance Officer of the Company.

One Meeting of SRC was held during the year under review on November 12, 2014.

The particulars of Members and their attendance at the meeting are given below:

Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Susim Mukul Datta	Chairman	Non-Executive Independent Director	1	1
Mr. Anjan Chatterjee	Member	Managing Director	1	-
Mr. Indranil Chatterjee	Member	Whole-time Director	1	1

##### 5.2 Terms of reference

The terms of reference of the Stakeholders Relationship Committee include the following:

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

The Company had appointed Link Intime India Private Limited as Registrars and Share Transfer Agents of the Company for carrying out all work relating to the shares of the Company.

Link Intime India Private Limited had received three complaints during the financial year under review. 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. Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") as required under Section 135 of the Companies Act, 2013.

##### 6.1. Composition, Meetings and Attendance

The CSR 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. The Company Secretary acts as the Secretary to the Committee and is also the Compliance Officer of the Company.

During the financial year 2014-15, the CSR Committee met two times on December 13, 2014 and March 24, 2015.

The particulars of Members and their attendance at the meetings are as under:



Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Jyotin Mehta	Chairman	Non-Executive Independent Director	2	2
Mrs. Suchhanda Chatterjee	Member	Whole-time Director	2	2
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	2	2

## 6.2. Terms of reference

The terms of reference of the CSR Committee include the following:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities in connection with corporate social responsibility to be undertaken by the Company in accordance with Section 135 of the Companies Act, 2013; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

## 7. Risk Management Committee

The Company has constituted the Risk Management Committee in accordance with the revised Clause 49 of the Listing Agreement.

### 7.1 Composition, Meetings and Attendance

As on March 31, 2015, the Committee comprises of four Members namely, Mr. Jyotin Mehta, Mr. Indranil Chatterjee, Mr. Tara Sankar Bhattacharya and Mr. Dushyant Mehta. Mr. Jyotin Mehta is the Chairman of the Risk Management Committee. The Company Secretary acts as the Secretary to the Committee and is also the Compliance Officer of the Company.

During the financial year 2014-15, one Meeting of the Risk Management Committee was held on March 7, 2015.

The particulars of Members and their attendance at the Meeting are given below:

Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Jyotin Mehta	Chairman	Non-Executive Independent Director	1	1
Mr. Indranil Chatterjee	Member	Whole-time Director	1	-
Mr. Tara Sankar Bhattacharya	Member	Non-Executive Independent Director	1	1
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	1	1

## 7.2. Terms of reference

The terms of reference of the Risk Management Committee include the following:

- Laying down risk assessment and minimisation procedures and the procedures to inform the Board of the same;
- Framing, implementing, reviewing and monitoring the Risk Management plan for the Company; and
- Performing such other activities as may be delegated by the Board of Directors and/or statutorily prescribed under any law to be attended by the Risk Management Committee.

## 8. General Body Meetings

### 8.1. Location, date, time of the Annual General Meeting (AGM) held and the special resolutions passed thereat for the last 3 years are as under:

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution	Passed
1	2013-14	15 <sup>th</sup> AGM	September 15, 2014	11.00 a.m.	Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata- 700046.	<b>Resolution No. 9:</b> Amendment to the Articles of Association	By requisite majority
2	2012-13	14 <sup>th</sup> AGM	August 13, 2013	3.00 p.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	<b>Resolution No. 6:</b> Re-appointment of Mr. Anjan Chatterjee as Managing Director of the Company on the revised remuneration. <b>Resolution Nos. 7 &amp; 8</b> Revision in terms and conditions of remuneration of Mrs. Suchhanda Chatterjee, and Mr. Indranil Chatterjee, Whole-time Directors. <b>Resolution No.9:</b> Payment of Commission to the Non-Executive Directors.	By requisite majority  By requisite majority  By requisite majority



Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution	Passed
3	2011-12	13 <sup>th</sup> AGM	September 28, 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.	<b>Resolution No. 6:</b> Adoption of new Articles of Association of the Company. <b>Resolution No. 7:</b> Introduction and Implementation of Speciality Restaurants Limited-Employee Stock Option Scheme 2012.	Unanimously  Unanimously

All Resolutions were approved through e-voting/ballot at the meeting held on September 15, 2014 last year.

## 8.2 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.

## 9. Subsidiary Company

During the year ended March 31, 2015, the Company had acquired 51 % stake in Love Sugar and Dough Private Limited (LSDPL) by purchase of 5,100 equity of shares of LSDPL in terms of Share Purchase and Shareholders' Agreement dated December 10, 2014. LSDPL became the subsidiary of the Company with effect from December 30, 2014.

During the year ended March 31, 2015 the Company does not have any material listed/unlisted subsidiary Company as per Clause 49 of the Listing Agreement. The Company has framed a policy for determining 'material subsidiary' and the same has been disclosed on the Company's website at the following web link: [http://www.speciality.co.in/pdf/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS\\_AND\\_ALSO\\_ON\\_DEALING\\_WITH\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf)

There is no material non-listed Indian Subsidiary company requiring appointment of Independent Director of the Company on the Board of Directors of the Subsidiary company. The requirements of Clause 49 of the Listing Agreement with regard to the Subsidiary company have been complied with.

## 10. Other Disclosures

### 10.1 Disclosure of Related Party Transactions

Transactions with the related parties as per the requirements of Accounting Standard 18 are disclosed in Note No. 28 to the Financial Statements. There are no materially significant transactions with related parties viz., Promoters, Directors or the Key Managerial Personnel or their relatives or Subsidiary or Joint Venture Company that had potential conflict with the interests of the Company. Suitable disclosure as required under the Accounting Standard (AS 18) has been made in the Annual Report.

### 10.2 Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing financial statements.

### 10.3 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 ₹ 10/- each were allotted at a premium of ₹ 140/- per share. The utilization of the IPO Proceeds is summarized below:

(₹ in Million)

Sr. No.	Particulars	Plan as approved by the Members of the Company	Utilisation of IPO proceeds upto March 31, 2015	Balance
(i)	Development of new restaurants	1,316.0	894.1	421.9
(ii)	Development of a food plaza	151.0	-	151.0
(iii)	Repayment of Term Loan facilities	94.2	94.2	-
(iv)	General Corporate Purpose	10.5	10.5	-
		<b>1,571.7</b>	<b>998.8</b>	<b>572.9</b>
(v)	Issue related expenses	189.2	183.6	5.6
<b>Total</b>		<b>1,760.9</b>	<b>1,182.4</b>	<b>578.5</b>

### 10.4. 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.

### 10.5 Code of Conduct

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board Members and of all the employees in the Management cadre of the Company.

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 March 31, 2015.



The Board of Directors has also laid down a separate Code for Independent Directors as per the requirements of Schedule IV of the Companies Act, 2013.

All the Independent Directors have affirmed compliance to the above Code for Independent Directors as on March 31, 2015.

The Code of Conduct for Business and the Ethics and the Code for Independent Directors has been disclosed on the Company's website at the following web link: [www.speciality.co.in](http://www.speciality.co.in)

A declaration to this effect signed by the Managing Director is attached and forms part of the Annual Report of the Company.

#### 10.6 Vigil Mechanism/Whistle Blower Policy

In terms of the provisions of Section 177 (9) of the Companies Act, 2013 the Company has established a vigil mechanism policy for its Directors and Employees to report genuine concerns. The Policy has been disclosed on the Company's website: [www.speciality.co.in](http://www.speciality.co.in). During the year under review no employee was denied access to the Audit Committee.

#### 10.7 Familiarisation Programme

The Company has framed a policy for familiarization programme for Independent Directors in terms of Clause 49 of the Listing Agreement and the same is disclosed on the Company's website at the following web link: [http://www.speciality.co.in/pdf/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS\\_AND\\_ALSO\\_ON\\_DEALING\\_WITH\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf).

#### 10.8 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.

#### 11. Means of Communication

The Company's quarterly financial results, presentation made to the institutional investors and/or analysts, official news releases and other general information about the Company are uploaded on the Company's website at the following web link : [www.speciality.co.in](http://www.speciality.co.in)

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

#### 12. General Shareholder Information

##### 12.1 Sixteenth Annual General Meeting

Day and Date : Wednesday, August 26, 2015.  
Time : 11.00 a.m.  
Venue : Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017.

##### 12.2 Financial Calendar for 2015-16

Financial reporting for the quarter ending June 30, 2015.	2 <sup>nd</sup> Week of August, 2015
Financial reporting for the quarter/half year ending September 30, 2015.	2 <sup>nd</sup> week of November, 2015
Financial reporting for the quarter ending December 31, 2015.	2 <sup>nd</sup> week of February, 2016
Financial reporting for the year ending March 31, 2016.	Last week of May, 2016

12.3 Book-closure date : Saturday, August 15, 2015 to Wednesday, August 26, 2015  
(Both days inclusive)

12.4 Dividend Payment Date : Electronic Credit/despatch of Demand Drafts/ Dividend warrants  
between September 1, 2015 to September 8, 2015.

##### 12.5 Listing Details

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

###### 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.



## 12.6 Stock Codes

Stock Exchange	Stock code
National Stock Exchange of India Limited	Speciality
BSE Limited	534425

The Listing Fees have been paid to NSE and BSE for the financial year 2015-16.

## 12.7 Stock Market Data

The high/low of the market price of the shares of the Company during the financial year 2014-15 is given below.

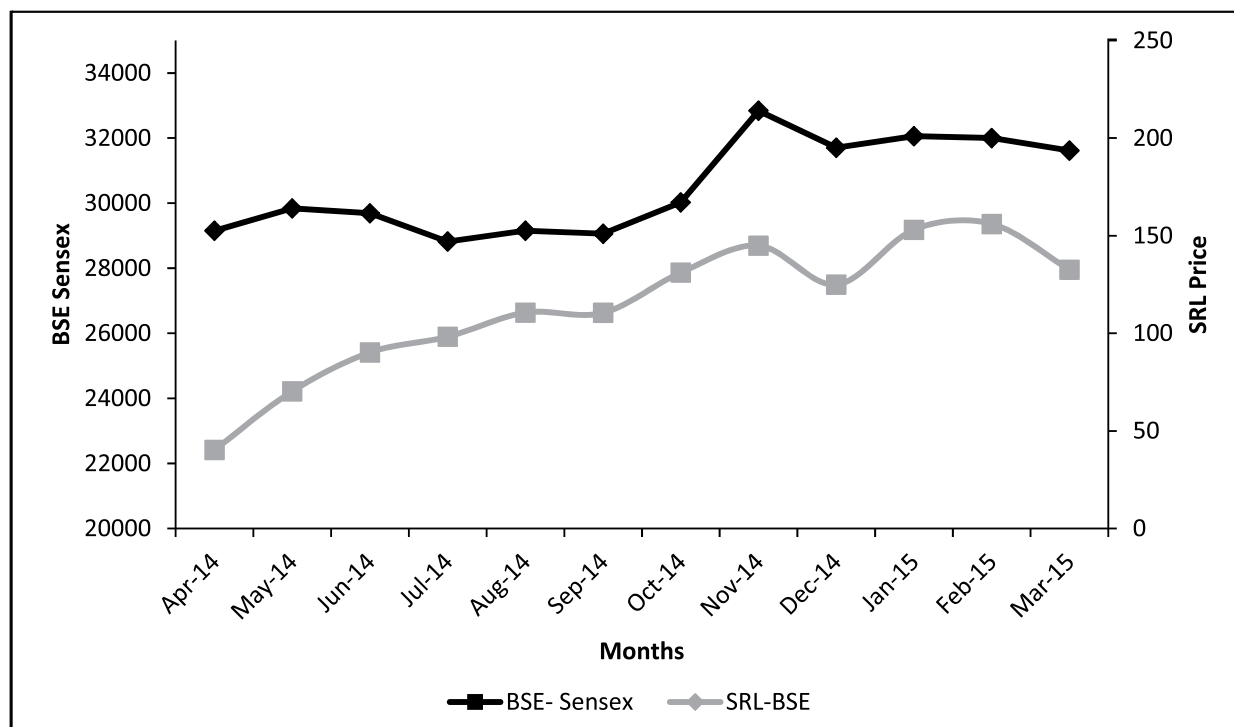
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High (₹)	Low (₹)	Sensex Closing	High (₹)	Low (₹)	S&P CNX NIFTY (Closing)
April 2014	152.50	133.10	22417.80	152.30	131.65	6696.40
May 2014	164.00	132.45	24217.34	165.00	132.70	7229.95
June 2014	161.50	144.00	25413.78	161.70	145.05	7611.35
July 2014	152.55	131.25	25894.97	153.50	131.25	7721.30
August 2014	151.00	128.00	26638.11	151.45	127.20	7954.35
September 2014	149.20	134.35	26630.51	149.85	132.60	7964.80
October 2014	167.10	143.00	27865.83	168.90	144.00	8322.20
November 2014	214.00	159.35	28693.99	213.50	157.75	8588.25
December 2014	195.05	170.75	27499.42	196.00	167.60	8282.70
January 2015	201.00	180.40	29182.95	200.65	179.60	8808.90
February 2015	200.00	176.00	29361.50	215.10	175.10	8901.85
March 2015	193.60	175.00	27957.49	194.00	171.00	8491.00

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

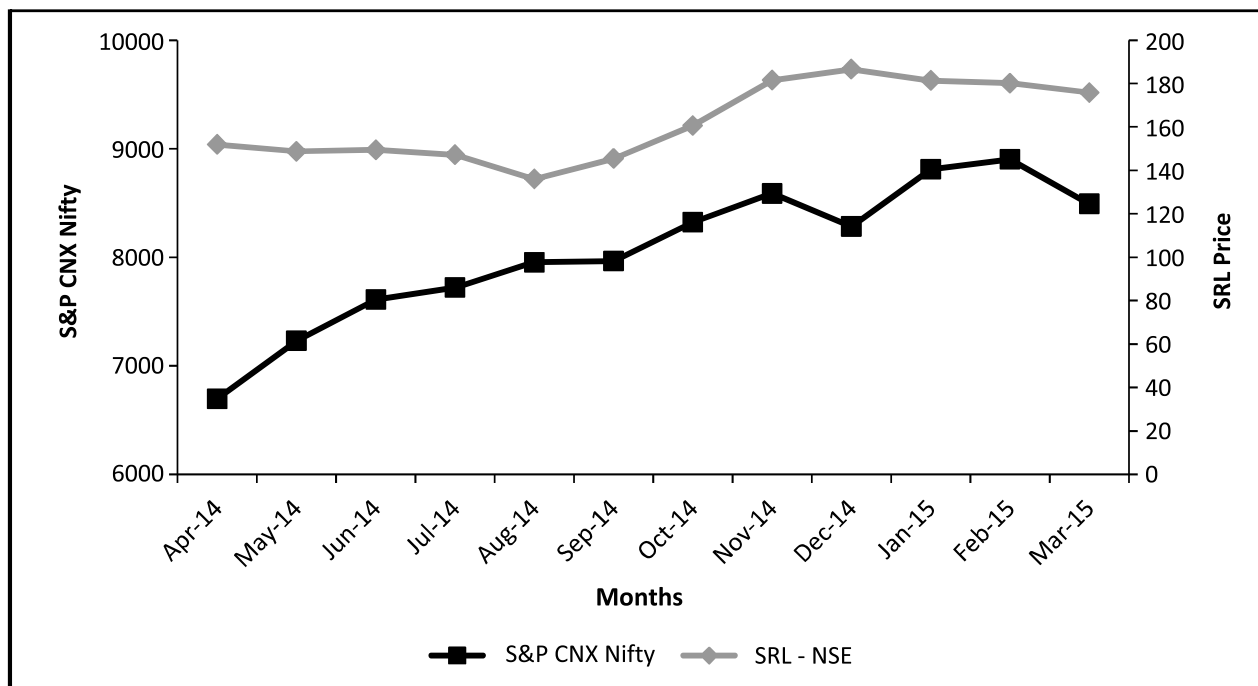
## 12.8 Stock Performance in comparison to broad based indices such as BSE Sensex, etc.

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

Stock Performance of SRL vs. BSE Index



### Stock Performance of SRL vs. S&P CNX Nifty Index



#### 12.9 Registrar and 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) 2594 6970-78  
Fax No. (91 22) 2594 6969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### 12.10 Distribution of Shareholding as on March 31, 2015

No. of Equity Shares held	No. of Members	% of Members	No. of Shares held	Total % to the Paid up share capital
1 – 5,000	11,851	91.77	11,59,574	2.47
5,001 - 10,000	526	4.07	3,99,731	0.85
10,001 – 20,000	297	2.30	4,27,943	0.91
20,001 - 30,000	66	0.51	1,66,982	0.35
30,001 – 40,000	40	0.31	1,44,312	0.31
40,001 - 50,000	30	0.23	1,39,560	0.30
50,001 – 1,00,000	39	0.30	2,76,231	0.59
1,00,001 and above	65	0.51	4,42,43,324	94.22
<b>Total</b>	<b>12,914</b>	<b>100.00</b>	<b>4,69,57,657</b>	<b>100.00</b>

#### 12.11 Shareholding Pattern as on March 31, 2015

Category	No. of Share held	Total % to the Paid up share capital
Promoters and their relatives	2,40,40,057	51.20
Foreign Company	49,97,640	10.64
Foreign Institutional Investors	83,18,110	17.71
Mutual Funds	51,39,109	10.94
Foreign Portfolio Investor	80,644	0.17
Financial Institutions	11,641	0.03
Non-Nationalised Banks	3,180	0.01
Public and Others	43,67,276	9.30
<b>Total</b>	<b>4,69,57,657</b>	<b>100.00</b>



## 12.12 Top ten shareholders as on March 31, 2015

Name of the Shareholders	No. of Share held	% of Share holding
Mr. Anjan Chatterjee	1,20,70,000	25.70
Mrs. Suchhanda Chatterjee	1,19,70,000	25.49
SAIF III Mauritius Company Limited	49,97,640	10.64
SAIF Advisors Mauritius Limited A/c SAIF India IV FII Holdings Limited	38,77,964	8.26
Reliance Capital Trustee Company Limited A/c Reliance Equity Opportunities Fund	24,42,163	5.20
Retail Employees Superannuation Pty Limited as Trustee for Retail Employees Superannuation Trust	17,59,863	3.75
L and T Mutual Fund Trustee Ltd- Land T Equity Fund	11,67,267	2.49
Axis Mutual Fund Trustee Limited A/c Axis Mutual Fund A/c Axis Long Term Equity Fund	9,93,279	2.11
Paradise Global Small Mid Cap Fund	6,04,765	1.29
TFL Pension Fund	5,72,105	1.22
<b>Total</b>	<b>4,04,55,046</b>	<b>86.15</b>

## 12.13 Shares Transfer System (Physical Form)

The Board has delegated the authority for approving the transfer, transmission, etc. of the Company's Equity Shares to the Stakeholders Relationship Committee comprising of Mr. Susim Mukul Datta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee as its Members. 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 the Company Secretaries half yearly certificate/s of compliance with regard to the 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.

## 12.14 Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital was carried out on a quarterly basis in accordance with the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. M/s. GMJ & Associates, Company Secretaries have been conducting such audit. The Reconciliation of Share Capital 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.

## 12.15 Dematerialisation of Shares

As on March 31, 2015, 4,69,57,547 Equity Shares representing 99.99 % of the paid-up Equity Share Capital have been dematerialised. The Company's equity shares are regularly traded on NSE and BSE, in dematerialised form.

Under the depository system, the international securities identification number (ISIN) allotted to the Company's equity shares is INE 247M01014.

## 12.16 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 which were pending for conversion as on March 31, 2015.

## 13. Locations of Restaurants and Confectionaries as on March 31, 2015

### 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, 3 <sup>rd</sup> 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, 3 <sup>rd</sup> Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
6	Sigree Global Grill	Silver Arcade, 1 <sup>st</sup> Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
7	Flame & Grill	Shop No 310, South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700068.
8	Flame & Grill	Mani Square, 4 <sup>th</sup> Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054.
9	Machaan	Mani Square, 4 <sup>th</sup> Floor, Shop No. 407, 164/1, Manicktala 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 Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054.





Sr. No.	Name of the Restaurant	Address of the Restaurant
12	Shacks	Mani Square, 4 <sup>th</sup> Floor, Shop Nos. 403/404, 164/1, Manicktala 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, 4 <sup>th</sup> Floor, Shop Nos. 401-402, 10/3, Elgin Road, Kolkata, 700020.
15	Mainland China	Sakinaka Junction, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400072.
16	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Road, Andheri (W), Mumbai- 400053.
17	Mainland China	City Park, 1 <sup>st</sup> Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076.
18	Mainland China	Suburbia Mall, 6 <sup>th</sup> Floor, Linking Road, Bandra (West), Mumbai-400050.
19	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
20	Mainland China	Unit No. S-00, Growels 101 Mall, Kandivali (East), Mumbai-400101.
21	Mainland China	R City Mall, 3 <sup>rd</sup> Floor, L.B.S Marg, Ghatkopar (West), Mumbai - 400086.
22	Mainland China	Viviana Mall, F-38, 1 <sup>st</sup> Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606.
23	Mainland China	Plot Nos. 17/18, Restaurant-1, 1 <sup>st</sup> Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
24	Oh! Calcutta	Hotel Rosewood, 99/C Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.
25	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053.
26	Hoppipola	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai- 400052.
27	Hoppipola	Shop Nos. 135-138 A, Galleria Shopping Center, Hiranandani Gardens, Powai, Mumbai 400059.
28	Sigree	Plot Nos. 17/18, Restaurant-1, 1 <sup>st</sup> Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
29	Sigree-Global Grill	Ventura Shopping, 1 <sup>st</sup> Floor Central Avenue Road, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
30	Sigree-Global Grill	Palm Spring, Unit No.812, 8 <sup>th</sup> Floor, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064.
31	Mainland China Asia Kitchen	Unit No. T-16, 3 <sup>rd</sup> Floor, Palladium Mall, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013.
32	Zoodles	Shop Nos. 4 & 5, Oshiwara Lotus Co-operative Housing Society Limited, Building No. 12, Plot No. 50, MHADA Complex, Oshiwara, Andheri West, Mumbai-400053.
33	Oh! Calcutta	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai-400052.
34	Mainland China Asia Kitchen	Unit No. R-04, Third Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (East), Mumbai-400063.
35	Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune-411001.
36	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
37	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
38	Mainland China	EB-SF-15, 2 <sup>nd</sup> Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028.
39	Mainland China	Survey No 20/6/3, Hinjewadi Main Road, Mulshi, Near Hotel Courtyard Marriott, Hinjewadi, Pune-411057.
40	Sigree Global Grill	City Tower, Ground floor, Dhole Patil Road, Pune-411011.
41	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
42	Mezzuna	Ground Floor, City Point, 17A, Boat Club Road, Pune 411001.
43	Hoppipola	Ground Floor, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
44	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048.
45	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301.
46	Mainland China	Shop Nos. 6 – 10, Second Floor, Central Plaza, DLF Golf Course Road, Sector 53, Gurgaon – 122002.
47	Oh! Calcutta	Ground Floor, Block "E", American Plaza, International Trade Tower, Nehru Place, New Delhi-110019.
48	Oh! Calcutta	DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon 122002.
49	Mainland China	14, Church Street, Bengaluru-560001.
50	Oh! Calcutta	14, Church Street, Bengaluru-560001.
51	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
52	Mainland China	136, 1 <sup>st</sup> Cross, 5 <sup>th</sup> Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095.
53	Mainland China	19, 5 <sup>th</sup> Block, 5 <sup>th</sup> Main Road, 40 <sup>th</sup> cross, Jayanagar, Bengaluru-560041.
54	Mainland China	28/2, 1 <sup>st</sup> Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
55	Mainland China	5AC-430, 5 <sup>th</sup> A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
56	Sigree Global Grill	28 /2, Primus Building, Siddapura, Whitefield Main Road, Bengaluru-560066.



Sr. No.	Name of the Restaurant	Address of the Restaurant
57	Sigree Global Grill	2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
58	Hoppipola	No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru- 560038.
59	Hoppipola	3rd Floor, 14, Church Street, Bengaluru - 560001.
60	Mainland China	Hotel Tulip Aruna Complex, 144/145, Sterling Road, Nungambakkam, Chennai - 600034.
61	Mainland China	First Floor, 5/360, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai-600097.
62	Mainland China	Phoenix Market City, 1st Floor, Velachery Road, Chennai – 600042.
63	Sigree	Hotel Aruna Complex, 5 <sup>th</sup> Floor, 144/145, Sterling Road, Nungambakkam, Chennai-600034.
64	Sigree Global Grill	5/360, 1 <sup>st</sup> Floor, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai 600097.
65	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floors, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
66	Mainland China	Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
67	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
68	Sigree	Building No.6-3-1186/1/1, First Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
69	Kibbeh	Building No.6-3-1186/1/1, Fourth Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
70	Flame & Grill	Building No.6-3-1186/1/1, 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor, Near. ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
71	Mainland China	Caculo Mall, 4th Floor, Level 5, New Shanta, St. Inez, Panjim, Goa - 403001.
72	Mainland China	Dreams Hotel, S.A.Road, Ernakulam Junction, Cochin-682020.
73	Mainland China	G-02, Ground Floor, NRK Business Park, Vijay Nagar Square, A.B.Road, Indore, Madhya Pradesh-452010
74	Sigree Global Grill	G-02, Ground Floor, NRK Business Park, Vijay Nagar Square, A.B.Road, Indore, Madhya Pradesh-452010.

**Location of Franchise Owned Company Operated Restaurants (FOCO Model):**

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	4 <sup>th</sup> Floor, Dona Planet, G S Road, Guwahati-781005.
2	Machaan	4 <sup>th</sup> Floor, Dona Planet, G S Road, Guwahati-781005.
3	Mainland China	3rd Level, Centre Square Mall, Near Genda Circle, Sarabhai Road, Vadodara- 390007.
4	Mainland China	A1/ (a), IRC Village, Nayapalli, Bhubaneswar-751015.
5	Mainland China	S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019.
6	Mainland China	Riverside Mall, Plot No. 3. 3 <sup>rd</sup> Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010.
7	Mainland China	Shop No.301, 3rd Floor, Junction Mall, City Center, Durgapur-713216.
8	Mainland China	Central Mall, 5th Floor, Frazer Road, Patna-800004.
9	Mainland China	Gulmohar Mahal, 4th Floor, Satellite Road, Ahmedabad-380015.
10	Mainland China	Siam Tower, Road No.15, Sector 3, Uttara Model Town, Dhaka, Bangladesh
11	Mainland China	Inland Galore, 3 <sup>rd</sup> Floor, Kankanady Bypass Road, Mangalore-575002.
12	Mainland China	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
13	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
14	Mainland China	SCO 26, Sector-29, Gurgaon-122002.
15	Mainland China	Srinivas Towers, NBR 5 Centhop Road, Chennai-600018.
16	Sigree	15, First Floor, Sardar Patel Road, Adyar, Chennai-600020.
17	Mainland China	D-3, Ground Floor, Malviya Marg, (City Corporate), C-Scheme, Jaipur-302001.
18	Mainland China	City Centre Mall, Next to Keys Hotel, Pune-Pimpri Highway, Pimpri, Pune-411018.
19	Sigree Global Grill	City Centre Mall, Next to Keys Hotel, Pune-Pimpri Highway, Pimpri, Pune 411018.
20	Sigree	Dynasty Tower, Plot-1, Road-12, Block-C, Section-6, Mirpur, Dhaka-1216, Bangladesh
21	Sigree	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
22	Mainland China	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
23	Mainland China	New No. 96. Old No. 15, S Block, 5th Avenue, (Opposite T.N.E.B. Office), Anna Nagar, Chennai-600040.

**Confectionaries (Company Owned and Company Operated):**

Sr. No.	Name of the Confectionary	Address of the Restaurant
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 Ltd, 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.



Sr. No.	Name of the Confectionary	Address of the Restaurant
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, Shivgauri Apts, Ahimsha Marg, Off.Link Road, Malad (W), Mumbai-400064.
8	Sweet Bengal	Shop No.10, Matru Ashish, 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, First Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400 703.
12	Sweet Bengal	L-12, Gokuldham Shopping Center, Gokuldham, Goregaon (East), Mumbai-400 063.
13	Sweet Bengal	Shop No. 29, E.M.P. 51, 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- 400607.
15	Sweet Bengal	Shop no-18, Trimbak Tower, Plot no-86, Sector-15, CBD Belapur, Palm - Beach Road, Navi Mumbai - 400614.
16	Sweet Bengal	Shop No 20, Ground Floor, Block 2 - Emerald Plaza, Hiranandani Meadows, Pawar Nagar, Thane West-400606.
17	Sweet Bengal	Vivacity, Voltas Compound, Pokhran Road No. 2, Subhash Nagar, Thane (West) - 400 610
18	Sweet Bengal	Ramee Guestline Hotel, 757, S.V Road, Khar (W), Mumbai – 400 052.

The Company has a factory at 108, Bazarward, Khetani Mill Compound, Maganlal Nathu Road, Kurla West, Mumbai.

#### 14. 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 or contact on Tel. No. (91 22) 2594 6970-78. Fax No. (91 22) 2594 6969. Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@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, 4<sup>th</sup> 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](mailto:investor@speciality.co.in) or [vss.moorthy@speciality.co.in](mailto:vss.moorthy@speciality.co.in)

#### 15. 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.

#### B. Non-Mandatory Requirements

##### i. The Board

The Company has not maintained a separate Chairman's office for the Non-Executive Chairman.

##### ii. 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 Members.

##### iii. Audit Qualifications

The Auditors have issued an unqualified opinion on the financial statements for the year ended March 31, 2015.

##### iv. Separate posts of Chairman and CEO

The Chairman of the Board is a Non-Executive Independent Director and his position is separate from that of the Managing Director.

##### v. Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee.



## DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct/Business Ethics Policy and Code for Independent Directors, as applicable for Board Members / Senior Management Personnel as adopted by the Company for the financial year ended 31<sup>st</sup> March, 2015.

Place: Mumbai  
Date: May 27, 2015

**Anjan Chatterjee**  
Managing Director

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### 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**

**Speciality Restaurants Limited**

We have reviewed the financial statements and the cash flow statement of Speciality Restaurants Limited for the year ended 31st March, 2015 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 current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and 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 pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**Anjan Chatterjee**  
Managing Director

**Rajesh Kumar Mohta**  
Executive Director-Finance & CFO

Place: Mumbai  
Date: May 27, 2015

## **AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF 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 31<sup>st</sup> March, 2015, 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.

As on 31<sup>st</sup> March, 2015 there were no valid investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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

**[CS P. MAHESHWARI]**  
**PARTNER**  
**FCS No. : 2405**  
**COP No. : 1432**

Place: Mumbai  
Date: May 27, 2015



# INDEPENDENT AUDITOR'S 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 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Rakesh N. Sharma**  
Partner  
(Membership No. 102042)

**Mumbai, 27<sup>th</sup> May, 2015**



## 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)

Having regard to the nature of the Company's business/activities/results during the year, clauses (v), (vi) and (x) of the Order are not applicable to the Company.

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
2. 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.
3. The Company had granted unsecured loan to a company covered in the register maintained under section 189 of the Act.
  - a) In respect of above loan, the recovery of principal and interest amount has not fallen due as on 31<sup>st</sup> March 2015.
  - b) The loan is repayable after 31<sup>st</sup> March, 2016, as such the question of overdue repayment does not arise.
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. 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, Employees State Insurance, Income-Tax, Sales tax, Wealth-tax, Service tax, Customs duty, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amount payable in respect of Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Wealth-tax, Service tax, Customs duty, Value Added Tax, Cess and any other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - c) As at 31<sup>st</sup> March, 2015 the following are the particulars of dues on account of Income-tax, Sales Tax, and Value Added Tax that have not been deposited on account of any dispute:

(₹ in Millions)

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	6.45	2009-10	Commissioner
		2.08	2010-11	Commissioner
		1.55	2010-11	Income-tax Appellate Tribunal
		0.92	2011-12	Commissioner
Bombay Sales tax Act, 1959	Sales Tax	0.11	1999-00	Sales tax Appellate Tribunal
Tamil Nadu VAT Act 2006	Value Added Tax	9.93	2006-09	Appellate Deputy Commissioner
Central Sales Tax Act 1956	Sales Tax	1.96	2008-10	Joint Commissioner of Sales Tax (Appeal)
Maharashtra Value Added Tax 2002	Value Added Tax	1.16	2008-10	Deputy Commissioner of Sales Tax
Andhra Pradesh VAT Act 2005	Value Added Tax	0.88	From April 2012 to September 2013	Appellate Deputy Commissioner





- d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
6. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
7. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. There are no borrowings from financial institutions and debenture holders.
8. 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.
9. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**Rakesh N. Sharma**  
Partner  
(Membership No. 102042)

**Mumbai, 27<sup>th</sup> May, 2015**



## BALANCE SHEET

₹ In Millions

Particulars	Note No.		As at 31 March, 2015		As at 31 March, 2014
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	3		469.58		469.58
(b) Reserves and Surplus	4		2,606.63		2,569.61
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	5		3.00		6.24
<b>(3) Current Liabilities</b>					
(a) Trade payables	6		260.73		313.20
(b) Other current liabilities	7		153.87		129.93
(c) Short-term provisions	8		56.57		59.22
<b>Total</b>			<b>3,550.38</b>		<b>3,547.78</b>
<b>II. Assets</b>					
<b>(1) Non-current assets</b>					
(a) Fixed Assets	9				
(i) Tangible assets		1,175.20		1,038.41	
(ii) Intangible assets		23.79		19.75	
(iii) Capital work-in-progress		416.90	1,615.89	353.35	1,411.51
(b) Non-current investments	10		9.00		8.99
(c) Deferred tax asset	27		115.95		86.01
(d) Long term loans and advances	11		626.05		482.45
(e) Other non-current assets	12		0.15		0.40
<b>(2) Current assets</b>					
(a) Current investments	13		794.78		1,100.38
(b) Inventories	14		63.71		47.43
(c) Trade receivables	15		152.12		196.51
(d) Cash and cash equivalents	16		63.06		130.35
(e) Short-term loans and advances	11		109.67		83.75
<b>Total</b>			<b>3,550.38</b>		<b>3,547.78</b>
Significant accounting policies	2				
The accompanying Notes 1 to 40 are an integral part of the financial statements					

**In terms of our report attached.**

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**Rakesh N. Sharma**

Partner

**For and on behalf of the Board of Directors**

**Susim Mukul Datta**

Chairman

**Anjan Chatterjee**

Managing Director

**Jyotin Mehta**

Director

**Rajesh Kumar Mohta**

Executive Director - Finance &  
Chief Financial Officer

**V.S.Satyamoorthy**

Company Secretary

Place: Mumbai

Date: 27 May, 2015

Place: Mumbai

Date : 27 May, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

₹ In Millions

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
I. Revenue from operations	17	2,993.80	2,638.46
II. Other Income	18	77.11	98.37
<b>III. Total Revenue (I +II)</b>		<b>3,070.91</b>	<b>2,736.83</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	19	940.78	759.09
Employee benefits expense	20	719.56	612.48
Finance costs	21	0.81	0.74
Depreciation/amortisation/impairment	9	252.28	190.31
Other expenses	22	1,042.24	927.26
<b>Total Expenses</b>		<b>2,955.67</b>	<b>2,489.88</b>
<b>V. Profit before tax (III -IV)</b>		<b>115.24</b>	<b>246.95</b>
VI. Tax expense / (credit):			
(1) Current tax	27	50.17	80.96
(2) Deferred Tax		(29.45)	(22.95)
<b>VII. Profit for the year (V - VI)</b>		<b>94.52</b>	<b>188.94</b>
VIII. Earnings per equity share (of ₹ 10/- each):			
(1) Basic (in ₹)		2.01	4.02
(2) Diluted (in ₹)		2.01	4.02
Significant accounting policies	2		
The accompanying Notes 1 to 40 are an integral part of the financial statements			

**In terms of our report attached.**

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Rakesh N. Sharma**  
Partner

Place: Mumbai  
Date: 27 May, 2015

**For and on behalf of the Board of Directors**

**Susim Mukul Datta**  
Chairman

**Jyotin Mehta**  
Director

**V.S.Satyamoorthy**  
Company Secretary

Place: Mumbai  
Date : 27 May, 2015

**Anjan Chatterjee**  
Managing Director

**Rajesh Kumar Mohta**  
Executive Director - Finance &  
Chief Financial Officer



## CASH FLOW STATEMENT

₹ In Millions

PARTICULARS	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Cash flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>115.24</b>	<b>246.95</b>
<b>Adjustments for:</b>		
Depreciation / Amortisation / Impairment	252.28	190.31
Loss on Sale of Fixed Assets	0.42	0.07
Profit on Sale of Fixed Assets	(0.29)	(0.05)
Profit on Sale of Investments	(2.39)	-
Finance costs	0.81	0.74
Interest from Banks/others	(6.33)	(5.17)
Dividend on current investments	(60.12)	(85.08)
Provision for Diminution in value of investments	1.80	-
Provision for doubtful debts & advances	22.21	20.20
Foreign Exchange Gain (net)	(0.02)	(1.14)
Excess credit balance written back (net)	(6.87)	(5.53)
<b>Operating Profit before working capital changes</b>	<b>316.74</b>	<b>361.30</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Inventories	(16.27)	(19.18)
Trade receivables	25.85	(100.82)
Short-term loans and advances	(24.69)	(6.70)
Long-term loans and advances	(95.97)	(28.74)
other non current assets	0.25	(0.41)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade payables	(45.30)	92.69
Other current liabilities	24.66	55.36
<b>Cash generated from operations</b>	<b>185.27</b>	<b>353.50</b>
Net income tax paid	(74.69)	(86.15)
<b>A. Net cash generated from operating activities (A)</b>	<b>110.58</b>	<b>267.35</b>
<b>B. Cash flow from Investing Activities</b>		
Capital expenditure on fixed assets	(489.11)	(527.32)
Proceeds from Sale of fixed assets	1.04	0.40
Purchase of current investments	(1,019.65)	(1,863.13)
Proceeds from sale of current investments	1,325.84	2,127.04
Purchase of long-term investments	(0.01)	(8.91)
Loans given to staff	(22.79)	(23.05)
Loans repaid by staff	22.91	19.61
Interest received	3.49	2.86
Dividend received	60.12	85.08
Fixed Deposits held as Security against Bank Guarantees	(0.06)	-
Fixed Deposits held as security against Bank Guarantees released	-	1.41
<b>B. Net cash used in Investing Activities (B)</b>	<b>(118.22)</b>	<b>(186.01)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long-term borrowings	(3.95)	7.98
Finance costs	(0.81)	(0.74)
Dividend paid	(46.96)	(46.89)
Dividend tax paid	(7.98)	(7.98)
<b>C. Net cash used in Financing Activities (C)</b>	<b>(59.70)</b>	<b>(47.63)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C) = (D)</b>	<b>(67.34)</b>	<b>33.71</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>	<b>129.62</b>	<b>95.91</b>
<b>Cash and cash equivalents at the end of the year (D) +(E)</b>	<b>62.28</b>	<b>129.62</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet</b>		
Cash and cash equivalents as per Balance Sheet (Note 16)	63.06	130.35
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
In earmarked accounts		
- Unpaid Dividend account	0.06	0.07
- Balances held as securities against bank guarantees	0.72	0.66
<b>Cash and cash equivalents at the end of the year</b>	<b>62.28</b>	<b>129.62</b>

The accompanying Notes 1 to 40 are an integral part of the financial statements

**In terms of our report attached.**

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Rakesh N. Sharma**  
Partner

Place: Mumbai  
Date: 27 May, 2015

**For and on behalf of the Board of Directors**

**Susim Mukul Datta**  
Chairman

**Jyotin Mehta**  
Director

**V.S.Satyamoorthy**  
Company Secretary

Place: Mumbai  
Date: 27 May, 2015

**Anjan Chatterjee**  
Managing Director

**Rajesh Kumar Mohta**  
Executive Director - Finance &  
Chief Financial Officer

## 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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")

#### 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 recognised in the periods in which the results are known / materialise.

#### c) Fixed Assets and Depreciation/Amortisation

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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Pursuant to the enactment of the Companies Act, 2013, effective 1 April, 2014, the Company has reviewed and revised the estimated economic useful lives of its fixed assets generally in accordance with those provided in Schedule II to the Companies Act, 2013 except in case of furniture and fixtures. The Company has assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation. (Refer note 9(3))

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 amortisation and impairment losses. An intangible asset is recognised, 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 amortisable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Company capitalises software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over the management's estimate of its useful life of five years.

Trademarks are amortised uniformly over a period of five years.

#### d) Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### e) 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 recognised as an impairment loss in the Statement of Profit and Loss.

#### f) 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 recognise a decline, other than temporary, in the value of such investments.

#### g) Revenue Recognition

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

Revenue from restaurant and sweet shop sales (food and beverages) is recognised 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 recognised on formalisation 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 recognised 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 recognised when the gift vouchers or points are redeemed on sale of meals to customers.

**h) Other income:**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**i) Inventories:**

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

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

**j) 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 recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

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

**k) 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.

**l) Borrowing costs**

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

**m) 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 realised.

Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-Tax Act, 1961, is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on Distribution on profits and is not considered in determination of the profits of the Company.

**n) 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.

**o) 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 recognised 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

**p) 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.

**q) 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.

**r) 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**

₹ In Millions

Particulars	2014-2015		2013-2014	
	Number of shares	Amount	Number of shares	Amount
<b>a. Authorised</b>				
Equity Shares of the par value of ₹ 10 each fully paid up	51,000,000	510.00	51,000,000	510.00
Compulsorily Convertible Preference Shares of the par value of ₹ 10 each	7,000,000	70.00	7,000,000	70.00
	<b>58,000,000</b>	<b>580.00</b>	<b>58,000,000</b>	<b>580.00</b>
<b>b. Issued &amp; Subscribed Equity Shares</b>				
Equity Shares of ₹ 10 each fully paid up (Of the above shares, 6,689,118 (Previous year - 6,668,118) equity shares are allotted as fully paid-up on Conversion of Compulsorily Convertible Preference shares) (Of the above shares, 27,029,124 (Previous year - 27,029,124) equity shares are allotted as fully paid-up bonus shares by capitalisation of the Securities Premium Account)	46,957,657	469.58	46,957,657	469.58
<b>(a) Reconciliation of number of shares outstanding at the beginning and end of the year :</b>				
Outstanding at the beginning and end of the year	46,957,657		46,957,657	



Particulars	2014-2015		2013-2014	
	Number of shares	Amount	Number of shares	Amount
<p><b>(b) Rights, Preferences and restrictions attached to Equity shares</b></p> <p>The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.</p>				
<b>(c) Shares reserved for issue under options (Refer note 30)</b>	515,300		515,300	
<p><b>(d) Shareholders holding more than 5% equity shares in the Company are set out below:</b></p> <p>Anjan Chatterjee</p> <p>No. of shares</p> <p>% Holding</p> <p>Suchhanda Chatterjee</p> <p>No. of shares</p> <p>% Holding</p> <p>SAIF III Mauritius Company Limited</p> <p>No. of shares</p> <p>% Holding</p> <p>SAIF Advisors Mauritius Limited</p> <p>No. of shares</p> <p>% Holding</p> <p>Reliance Capital Trustee Co. Ltd</p> <p>No. of shares</p> <p>% Holding</p>				
	12,070,000		16,529,905	
	25.70		35.20	
	11,970,000		11,970,000	
	25.49		25.49	
	4,997,640		4,997,640	
	10.64		10.64	
	3,877,964		2,810,403	
	8.26		5.98	
	2,442,163		2,442,163	
	5.20		5.20	
		<b>469.58</b>		<b>469.58</b>

#### 4 Reserves & Surplus

₹ In Millions

Particulars	2014-2015	2013-2014
a. <u>Capital Reserve</u>		
As per last balance sheet		
Money received against share warrants forfeited, option not exercised by warrant holders	1.67	1.67
b. <u>Securities Premium Account</u>		
As at the end of the year	1,626.50	1,626.50
c. <u>Surplus in the Statement of Profit and Loss</u>		
As at the beginning of the year	941.44	807.44
Less: Deprecation on transition to Schedule II of the Companies Act, 2013 (net of deferred tax ₹ 0.49 Million) (Refer note 3 of Schedule 9)	0.93	-
Add: Net Profit for the year	94.52	188.94
Less: Appropriations:		
Proposed Dividend on Equity shares - Nil (Previous year - Re. 1 per share)	46.96	46.96
Corporate Dividend Tax	9.61	7.98
As at the end of the year	<b>978.46</b>	<b>941.44</b>
	<b>2,606.63</b>	<b>2,569.61</b>





## 5 Long-term borrowings

₹ In Millions

Particulars	2014-2015	2013-2014
<b>Secured Loans</b>		
<b>Long term maturities of finance lease obligations</b>		
Car Loans (Refer note 7 for current maturity details of the finance lease obligations)	3.00	6.24
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 : 14 - 39 monthly installments due over the period April 15 - June 18		
Vehicle loans are secured by hypothecation of vehicles under hire purchase agreements. The loans are repayable in equated monthly installments and carry interest rates in the range of 10% - 13%		
	<b>3.00</b>	<b>6.24</b>

## 6 Trade Payables

₹ In Millions

Particulars	2014-2015	2013-2014
Other than Acceptances (Refer note below)	260.73	313.20
	<b>260.73</b>	<b>313.20</b>

### Note:

There are no dues outstanding to Micro, Small and Medium Enterprises. Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

## 7 Other current liabilities

₹ In Millions

Particulars	2014-2015	2013-2014
a. Current Maturities of finance lease obligations (Refer note 5)	3.24	3.95
b. Income received in advance	9.56	0.88
c. Unpaid dividend	0.06	0.07
d. Other Payables		
(i) Statutory remittances	36.99	39.14
(ii) Payables on purchase of fixed assets	70.28	60.13
(iii) Payable on account of Gratuity Liability	20.63	1.53
(iv) Rent	13.11	24.17
(v) Others	-	0.06
	<b>153.87</b>	<b>129.93</b>

## 8 Short term provisions

₹ In Millions

Particulars	2014-2015	2013-2014
a. For tax (net of advance tax ₹ Nil (As at 31 March 2014 ₹ 76.63 Million)	-	4.28
b. For proposed equity dividend	46.96	46.96
c. For tax on proposed dividend	9.61	7.98
	<b>56.57</b>	<b>59.22</b>



## 9 Fixed Assets

₹ In Millions

PARTICULARS	Gross Block				Depreciation / Amortisation / Impairment				Net Block		
	Balance as at 1 April 2014	Additions	Deductions	Balance as at 31 March 2015	Balance as at 1 April 2014	For the year	Deductions	Transition adjustment recorded against the opening balance in the Statement of Profit and Loss	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
<b>Tangible Assets</b>											
<b>Land</b>											
- Freehold	26.65	-	-	26.65	-	-	-	-	-	26.65	26.65
	(26.65)	-	-	(26.65)	-	-	-	-	-	(26.65)	
- Leasehold	51.92	-	-	51.92	3.19	0.51	-	-	3.70	48.22	48.73
	(51.92)	-	-	(51.92)	(2.68)	(0.51)	-	-	(3.19)	(48.73)	
Leasehold Improvements (Refer note 2)	648.14	206.15	12.64	841.65	203.60	97.82	12.64	-	288.78	552.87	444.54
	(470.90)	(202.23)	(24.99)	(648.14)	(153.69)	(74.90)	(24.99)	-	(203.60)	(444.54)	
Plant and Equipment	547.35	92.47	1.79	638.03	252.76	69.06	1.03	0.83	321.62	316.41	294.59
	(467.85)	(79.54)	(0.04)	(547.35)	(210.37)	(42.43)	(0.04)	-	(252.76)	(294.59)	
Furniture and Fixtures	471.03	79.24	-	550.27	284.02	61.78	-	-	345.80	204.47	187.01
	(390.83)	(80.20)	-	(471.03)	(228.98)	(55.04)	-	-	(284.02)	(187.01)	
Computers	52.52	5.27	-	57.79	42.46	7.36	-	0.58	50.40	7.39	10.06
	(46.16)	(6.36)	-	(52.52)	(37.07)	(5.39)	-	-	(42.46)	(10.06)	
Vehicles											
Owned	22.46	3.20	1.87	23.79	9.05	4.64	1.47	-	12.22	11.57	13.41
	(15.76)	(7.65)	(0.95)	(22.46)	(5.90)	(3.68)	(0.53)	-	(9.05)	(13.41)	
Taken under finance lease	18.20	0.22	5.15	13.27	4.77	4.38	3.50	-	5.65	7.62	13.43
	(5.17)	(13.03)	-	(18.20)	(1.80)	(2.97)	-	-	(4.77)	(13.43)	
<b>Tangibles Total (A)</b>	<b>1,838.27</b>	<b>386.55</b>	<b>21.45</b>	<b>2,203.37</b>	<b>799.85</b>	<b>245.55</b>	<b>18.64</b>	<b>1.41</b>	<b>1,028.17</b>	<b>1,175.20</b>	<b>1,038.41</b>
	(1,475.24)	(389.01)	(25.98)	(1,838.27)	(640.49)	(184.92)	(25.56)	-	(799.85)	(1,038.41)	
<b>Intangible Assets</b>											
Software	23.85	2.88	-	26.73	14.91	3.09	-	-	18.00	8.73	8.94
	(18.81)	(5.04)	-	(23.85)	(11.72)	(3.19)	-	-	(14.91)	(8.94)	
Patents and Trademarks	16.68	7.89	-	24.57	5.87	3.64	-	-	9.51	15.06	10.81
	(8.54)	(8.14)	-	(16.68)	(3.67)	(2.20)	-	-	(5.87)	(10.81)	
<b>Intangibles Total (B)</b>	<b>40.53</b>	<b>10.77</b>	<b>-</b>	<b>51.30</b>	<b>20.78</b>	<b>6.73</b>	<b>-</b>	<b>-</b>	<b>27.51</b>	<b>23.79</b>	<b>19.75</b>
	(27.35)	(13.18)	-	(40.53)	(15.39)	(5.39)	-	-	(20.78)	(19.75)	
<b>TOTAL (A+B)</b>	<b>1,878.80</b>	<b>397.32</b>	<b>21.45</b>	<b>2,254.67</b>	<b>820.64</b>	<b>252.28</b>	<b>18.64</b>	<b>1.41</b>	<b>1,055.68</b>	<b>1,198.99</b>	<b>1,058.16</b>
Previous Year	(1,502.59)	(402.19)	(25.98)	(1,878.80)	(655.88)	(190.31)	(25.56)	-	(820.64)	(1,058.16)	

Note: 1

Figures in paranthesis relate to the corresponding previous year figures.

Note 2:

Depreciation for the year includes impairment charge aggregating to ₹ 7.07 Million (Previous Year ₹ 6.21 Million)

Note: 3

Pursuant to the enactment of the Companies Act, 2013, effective 1 April, 2014, the Company has reviewed and revised the estimated economic useful lives of its fixed assets generally in accordance with those provided in Schedule II to the Companies Act, 2013 except in case of furniture and fixtures. The Company has assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation.

The change in the estimated useful life of the assets on account of the above is as follows:

Asset	Previous derived useful life	Revised useful life
Computers	6 years	3 - 6 years
Plant and Equipment	20 years	15 years
Vehicles	10 years	6 - 8 years

Consequent to the change in the estimated useful life of the assets, the depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 23.33 Million.

Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has consequently adjusted an amount of ₹ 0.93 Million (net of deferred tax of ₹ 0.49 Million) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus.

## 10 Non Current Investments

₹ In Millions

Particulars	2014-2015	2013-2014
<b>Investments (At cost)</b>		
<b>Unquoted</b>		
<b>A Trade Investments</b>		
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	8.88
<b>B Other Investments</b>		
Investment in Government or Trust Securities (NSC - Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	0.12	0.11
	<b>9.00</b>	<b>8.99</b>

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

₹ In Millions

Particulars	Long term		Short term	
	2014-2015	2013-2014	2014-2015	2013-2014
a. Capital Advances	62.64	32.77	-	-
b. Security and other deposits - Premises and Other Deposits (See note (ii) below)	473.81	414.53	14.19	6.00
c. Loan to Joint Venture Company Mainland China Restaurant (LLC)	34.34	-	-	-
d. <u>Other loans and advances</u> (See note (i) below)				
Loans to employees	20.31	18.81	9.73	11.34
Advances to Suppliers and others	8.05	6.10	53.11	44.10
Advance income tax (net of provision for tax ₹ 316.42 Million (As at 31 March 2014 ₹ 184.98 Million)	31.56	11.34	-	-
Balances with government authorities	1.78	1.78	11.26	6.52
Prepayments and others	1.19	2.79	21.38	15.79
Less: Provision for Doubtful Loans and Advances	7.63	5.67	-	-
	<b>55.26</b>	<b>35.15</b>	<b>95.48</b>	<b>77.75</b>
	<b>626.05</b>	<b>482.45</b>	<b>109.67</b>	<b>83.75</b>

### Note :

	Long term		Short term	
	2014-2015	2013-2014	2014-2015	2013-2014
<b>(i) Considered Good</b>				
Loans to employees	20.31	18.81	9.73	11.34
Advance to Suppliers and others	0.42	0.43	53.11	44.10
Income Taxes (Net)	31.56	11.34	-	-
Balances with government authorities	1.78	1.78	11.26	6.52
Prepayments and others	1.19	2.79	21.38	15.79
<b>Total</b>	<b>55.26</b>	<b>35.15</b>	<b>95.48</b>	<b>77.75</b>
<b>Considered Doubtful</b>				
Advance to Suppliers and others	7.63	5.67	-	-
<b>Total</b>	<b>7.63</b>	<b>5.67</b>	<b>-</b>	<b>-</b>
<b>(ii) Premises and other deposits include amounts receivable from:</b>				
<b>Particulars</b>			<b>2014-2015</b>	<b>2013-2014</b>
<b>Directors</b>				
Anjan Chatterjee			1.50	1.50
Suchhanda Chatterjee			1.50	1.50
Anjan Chatterjee (HUF)			1.60	1.60
<b>Private Companies in which a director is a director or member</b>				
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



## 12 Other non-current assets

₹ In Millions

Particulars	2014-2015	2013-2014
- Fixed deposits held as securities against bank guarantees	0.15	0.40
	<b>0.15</b>	<b>0.40</b>

## 13 Current Investments

₹ In Millions

Particulars	2014-2015			2013-2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investment in Equity Instruments</b>						
(5,100 Equity Shares of Love Sugar and Dough Pvt Ltd of ₹ 100 each, fully paid up)	-	7.50	7.50	-	-	-
Less: Provision for dimunition on value	-	(1.80)	(1.80)	-	-	-
<b>Total (A)</b>	-	<b>5.70</b>	<b>5.70</b>	-	-	-
<b>Investment in Mutual Funds (At lower of cost and fair value)</b>						
Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend - Re-investment 62,808 (As at 31 March, 2014 - 11,754) units of ₹ 1,000 each	-	96.02	96.02	-	17.97	17.97
Franklin India Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment 7,138,018 (As at 31 March, 2014 - 6,687,110) units of ₹ 10 each	-	74.12	74.12	-	69.38	69.38
Franklin India Low Duration Fund - Monthly Dividend - Re-investment 1,099,436 (As at 31 March, 2014 - 1,029,623) units of ₹ 10 each	-	11.40	11.40	-	10.68	10.68
Franklin India short term income - Retail Plan - Direct Plan - Monthly Dividend - Re-investment 183,387 (As at 31 March, 2014 - 173,597) units of ₹ 1,000 each	-	214.45	214.45	-	202.65	202.65
Franklin India short term income - Retail Plan - Monthly Dividend - Re-investment 9,673 (As at 31 March, 2014 - 9,150) units of ₹ 1,000 each	-	11.29	11.29	-	10.67	10.67
UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (Formerly Daily Dividend Re-investment) 100 (As at 31 March, 2014 - 100) units of ₹ 1,000 each	-	0.11	0.11	-	0.11	0.11
Birla Sun Life Floating Rate Long Term Fund - Regular Plan - Daily Dividend Re-investment 1,141,916 (As at 31 March, 2014 - 1,052,582) units of ₹ 100 each	-	114.41	114.41	-	107.25	107.25
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend - Re-investment 1,220,087 (As at 31 March, 2014 - 2,977,340) units of ₹ 10 each	-	12.53	12.53	-	30.56	30.56
ICICI Prudential FMP Series 72 - 368 Days - Plan D - Direct Plan - Dividend Payout Nil (As at 31 March, 2014 - 13,000,000) units of ₹ 10 each	-	-	-	130.00	-	130.00
Reliance Interval Fund - Quarterly Plan - Series I - Direct Plan - Dividend Payout Nil (As at 31 March, 2014 - 19,957,690) units of ₹ 10 each	-	-	-	200.00	-	200.00
Reliance Fixed Horizon Fund - Xxv Series - 29 - Direct Plan - Dividend Payout Nil (As at 31 March, 2014 - 10,000,000) units of ₹ 10 each	-	-	-	100.00	-	100.00



Particulars	2014-2015			2013-2014		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment 1,008,502 (As at 31 March, 2014 - 2,021,922) units of ₹ 10 each	-	10.17	10.17	-	20.38	20.38
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend - Re-investment Nil (As at 31 March, 2014 - 198,759) units of ₹ 10 each	-	-	-	-	200.73	200.73
ICICI Prudential Flexible Income - Direct Plan - Daily Dividend - Re-investment 384,051 (As at 31 March, 2014 - Nil) units of ₹ 100 each	-	40.61	40.61	-	-	-
HDFC Liquid Fund - Direct Plan - Daily Dividend - Re-investment 654,078 (As at 31 March, 2014 - Nil) units of ₹ 10 each	-	6.67	6.67	-	-	-
UTI Treasury Advantage Fund - Institutional plan - Direct Plan - Daily Dividend - Re-investment 40,685 (As at 31 March, 2014 - Nil) units of ₹ 1,000 each	-	40.78	40.78	-	-	-
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend - Re-investment 11,694 (As at 31 March, 2014 - Nil) units of ₹ 1,000 each	-	11.75	11.75	-	-	-
Kotak Treasury Advantage Fund - Regular Plan - Daily Dividend - Re-investment 80,949 (As at 31 March, 2014 - Nil) units of ₹ 10 each	-	0.82	0.82	-	-	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment 1,008,422 (As at 31 March, 2014 - Nil) units of ₹ 10 each	-	10.17	10.17	-	-	-
ICICI Prudential Short Term Income Plan - Direct Plan - Monthly Dividend Re-investment 10,892,884 (As at 31 March, 2014 - Nil) units of ₹ 10 each	-	133.78	133.78	-	-	-
<b>Total Book Value (B)</b>	-	<b>789.08</b>	<b>789.08</b>	<b>430.00</b>	<b>670.38</b>	<b>1,100.38</b>
Note:						
Aggregate amount of unquoted investments	-	789.08	-	-	670.38	-
Market Value of quoted investments	-	-	-	431.37	-	-
<b>Total (A+B)</b>	-	<b>794.78</b>	<b>794.78</b>	<b>430.00</b>	<b>670.38</b>	<b>1,100.38</b>

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

₹ In Millions

Particulars	2014-2015	2013-2014
<b>Inventories</b>		
Food and beverage materials	57.73	38.79
Cutlery, crockery & other consumables	5.98	8.64
	<b>63.71</b>	<b>47.43</b>

#### 15 Trade receivables (Unsecured)

₹ In Millions

Particulars	2014-2015	2013-2014
Outstanding for a period exceeding six months from the due date of payment		
- Considered good	60.61	54.36
- Considered doubtful	53.10	34.85
Others		
- Considered good	91.51	142.15
- Considered doubtful	-	-
	205.22	231.36
Less: Provision for doubtful trade receivables	53.10	34.85
	<b>152.12</b>	<b>196.51</b>



## 16 Cash and cash equivalents

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
<b>A. Cash and cash equivalents (as per AS 3 Cash Flow Statement)</b>		
a. Cash on Hand	3.96	4.85
b. Balances with Banks:		
In Current Accounts	13.33	78.85
In Fixed Deposit accounts (Refer note 1 below)	44.99	45.92
<b>Total cash and cash equivalents (as per AS 3 Cash Flow Statement) (A)</b>	<b>62.28</b>	<b>129.62</b>
<b>B. Other bank balances</b>		
a. In earmarked accounts		
- Unpaid Dividend account	0.06	0.07
- Balances held as securities against bank guarantees	0.72	0.66
<b>Total other bank balances (B)</b>	<b>0.78</b>	<b>0.73</b>
<b>Total (A + B)</b>	<b>63.06</b>	<b>130.35</b>

### Note:

1) Balances with banks include fixed deposits aggregating ₹ 1.43 Million (As at 31 March, 2014 - ₹ 1.14 Million which have remaining maturity of more than 12 months from the balance sheet date.

## 17 Revenue from operations

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
<b>Sale of Services</b>		
a. Income from sale of food and beverages	2,903.88	2,458.50
b. <u>Franchise Income</u>		
- Initial Access Premium	39.14	121.00
- Royalty and Management Fees	49.69	50.54
c. <u>Other Operating revenue</u>		
Income from Display & Sponsorship	-	7.50
Sale of Scrap	1.09	0.92
	<b>2,993.80</b>	<b>2,638.46</b>

## 18 Other Income

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
<u>Interest received from Banks/Others</u>		
- Interest from banks on fixed deposits	2.05	1.90
- Other interest	4.28	3.27
Dividend on mutual funds	60.12	85.08
Profit on sale of current investments (Net)	2.39	-
Foreign exchange gain (Net)	1.04	1.14
Excess Credit balances written back (Net)	6.87	5.53
Miscellaneous Income	0.36	1.45
	<b>77.11</b>	<b>98.37</b>

## 19 Cost of materials consumed

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
<b>Food &amp; Beverages</b>		
Opening Stock	47.43	28.25
Add: Purchases	957.05	778.27
	<b>1,004.48</b>	<b>806.52</b>
Less: Closing Stock	63.70	47.43
	<b>940.78</b>	<b>759.09</b>



## 20 Employee Benefits Expense

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
Salaries, Bonus and Allowances	582.31	506.23
Contribution to Provident and Other Funds	51.78	23.03
Staff Welfare Expenses	85.47	83.22
	<b>719.56</b>	<b>612.48</b>

### Note: Employee Benefits

a. Defined Contribution plan:

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
Company's Contribution to Provident and other funds	31.15	21.50

b. Defined Benefit Plans:

₹ In Millions

Particulars	Gratuity	
	For the year ended	
	2014-2015	2013-2014
<b>a) Liability recognised in the balance sheet</b>		
<b>Present value of obligation</b>		
As at the beginning of the year	34.77	33.66
Service Cost	8.41	7.75
Interest Cost	3.82	3.13
Actuarial Loss / (Gain) on obligation	11.27	(7.31)
Benefits paid	(4.02)	(2.46)
As at the end of the year	<b>54.25</b>	<b>34.77</b>
<b>Less: Fair Value of Plan Assets</b>		
Opening Fair value of Plan Assets	33.24	24.21
Expected Return on Plan Assets	2.92	2.46
Actuarial Gain	(0.05)	(0.42)
Contribution by Employer	1.53	9.45
Benefits Paid	(4.02)	(2.46)
Closing Fair value of Plan Assets	<b>33.62</b>	<b>33.24</b>
<b>Net Liability</b>	<b>20.63</b>	<b>1.53</b>
<b>b) Expense during the year</b>		
Service Cost	8.41	7.75
Interest Cost	3.82	3.13
Expected return on Plan Assets	(2.92)	(2.46)
Actuarial Loss / (Gain)	11.32	(6.89)
<b>Total</b>	<b>20.63</b>	<b>1.53</b>
<b>c) Breakup of Plan Assets as a percentage of total Plan Assets</b>		
Insurer Managed Funds	100%	100%
<b>d) Expected rate of return on Plan Assets</b>		
Insurer Managed Funds	9.15%	9.15%
<b>e) Principal Assumptions</b>		
Discount rate	7.95%	9.30%
Salary escalation	6%	6%
<u>Attrition rate</u>		
From Age bracket 21 to 57 years	1% - 15%	1% - 15%

The Company expects to contribute ₹ 20.63 Million (previous year ₹ 1.53 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 Indian Assured Lives Mortality 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 into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



**Other Disclosures:**

₹ In Millions

Particulars	As at	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Defined Benefit Obligation		54.25	34.77	33.66	24.00	21.92
Plan Assets		33.62	33.24	24.21	12.52	8.70
Deficit		(20.63)	(1.53)	(9.45)	(11.48)	(13.22)
Experience Adjustments on Plan Liabilities		5.20	(2.95)	0.99	(3.54)	(0.29)
Experience Adjustments on Plan Assets		(0.05)	(0.42)	0.32	(0.11)	0.13

**21 Finance Costs**

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
Interest on finance lease obligations	0.81	0.74
	<b>0.81</b>	<b>0.74</b>

**22 Other Expenses**

₹ In Millions

Particulars	For the year ended	
	2014-2015	2013-2014
Rent (Refer note 25)	435.91	391.09
Power and Fuel	168.16	139.86
Rates, Taxes and Licence Fee	54.72	44.66
Operating Supplies	79.67	76.07
Insurance	2.59	2.19
Advertisement and Marketing Expenses (net of recoveries)	22.08	28.76
Payment to Auditors (Refer note 1 below)	3.95	4.15
Repairs and Maintenance - Machinery	22.10	19.60
Repairs and Maintenance - Building	58.21	53.41
Repairs and Maintenance - Others	31.89	24.09
Expenditure on Corporate Social Responsibility (Refer note 39)	0.55	-
Donation (Refer note 2 below)	1.00	-
Provision for diminution in value of investments	1.80	-
Miscellaneous Expenses	159.61	143.38
	<b>1,042.24</b>	<b>927.26</b>
<b>Note 1:</b> <u>Payment to the auditors comprises:</u>		
As auditor - statutory audit	3.15	3.15
For tax matters	0.40	0.80
For certification	0.40	0.20
	<b>3.95</b>	<b>4.15</b>
<b>Note 2:</b> Donation has been given to Shiv Sena Madhyavarthi Karyalaya		

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

₹ In Millions

Particulars	2014-2015	2013-2014
<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	22.92	0.27
c. Income Tax demands	26.40	23.92
	<b>216.50</b>	<b>191.37</b>
Other matters		
Indirect taxes	16.13	16.13
Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities		
<u>Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	88.97	75.27
	<b>88.97</b>	<b>75.27</b>





## 24 Derivative Instruments

There are no outstanding forward contracts as at 31 March, 2015 and 31 March, 2014.

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

Particulars	2014-2015	2013-2014
Amounts receivable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Royalty and Management fees receivable	USD 188,396	USD 159,831
Reimbursement of Expenses	USD 33,180	USD 32,832
	<b>USD 221,576</b>	<b>USD 192,663</b>
<u>Amount in INR (In Millions)</u>		
Royalty and Management fees receivable	12.64	9.61
Reimbursement of Expenses	2.00	1.97
	<b>14.64</b>	<b>11.58</b>
Amounts payable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Trademark and registration fees	USD 37,019	USD 19,816
	CND 1,265	CND 1,265
	POUND 3,223	-
	YEN 244,140	YEN 240,560
	SGD 817	SGD 995
	AD 8,109	-
<u>Amount In INR (In Millions)</u>		
Trademark and registration fees	3.17	1.46
	<b>3.17</b>	<b>1.46</b>

## 25 Disclosures in respect of Operating leases

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

Particulars	₹ In Millions	
	2014-2015	2013-2014
Payable not later than one year	103.14	124.10
Payable later than one year but not later than five years	92.24	126.92
Payable later than five years	-	-
	<b>195.38</b>	<b>251.02</b>

b) Lease payments recognised in the Statement of Profit and Loss for the year ended 31 March, 2015 are as under:

Fixed lease rentals – ₹ 367.65 Million (Previous Year ₹ 333.56 Million)

Contingent rent – ₹ 68.26 Million (Previous Year ₹ 57.53 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:

i) Fixed minimum guarantee amount and;

ii) 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:

Particulars	₹ In Millions	
	2014-2015	2013-2014
<u>Due not Later than one year</u>		
Total future minimum lease payments	3.70	4.76
Less: Finance charge on future lease payments	0.46	0.81
Present value of lease payments	<b>3.24</b>	<b>3.95</b>
<u>Due later than one year but not later than five years</u>		
Total future minimum lease payments	3.26	6.96
Less: Finance charge on future lease payments	0.26	0.72
Present value of lease payments	<b>3.00</b>	<b>6.24</b>

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



## 27 Taxation

### a. Current Tax comprises of:

₹ In Millions

Particulars	2014-2015	2013-2014
Income Tax of Current year	50.17	80.96
	<b>50.17</b>	<b>80.96</b>

### b. Components of Deferred Tax Asset

₹ In Millions

Particulars	2014-2015	2013-2014
<b>Deferred Tax Asset</b>		
On differences between book balance and tax balance of fixed assets	90.78	64.03
Disallowances under Section 40 (a)(i) of the Income Tax Act, 1961	4.46	8.22
Provision for doubtful debts / advances / others	20.71	13.76
	<b>115.95</b>	<b>86.01</b>
<b>Net deferred Tax asset</b>	<b>115.95</b>	<b>86.01</b>

## 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 Indroneil 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 Promotors 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	Subsidiaries	Love Sugar and Dough Private Limited
4	Jointly controlled entity	Mainland China Restaurant (LLC)

₹ In Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Subsidiary	Jointly controlled entity	Total
<b>Transactions during the period ended 31/03/2015</b>					
<b>Interest Income</b>					
Mainland China Restaurant (LLC)	-	-	-	1.00	1.00
	-	-	-	-	-
<b>Total</b>	-	-	-	<b>1.00</b>	<b>1.00</b>
	-	-	-	-	-
<b>Remuneration</b>					
Mr. Anjan Chatterjee	6.00	-	-	-	6.00
	(6.00)	-	-	-	(6.00)
Mrs. Suchhanda Chatterjee	2.10	-	-	-	2.10
	(2.10)	-	-	-	(2.10)
Mr. Indroneil Chatterjee	2.10	-	-	-	2.10
	(2.10)	-	-	-	(2.10)
<b>Total</b>	<b>10.20</b>	-	-	-	<b>10.20</b>
	<b>(10.20)</b>	-	-	-	<b>(10.20)</b>



Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Subsidiary	Jointly controlled entity	Total
<b>Rent and other expenses paid</b>					
Situations Advertising & Marketing Services Private Limited					
- Rent	-	34.21	-	-	34.21
	-	(35.00)	-	-	(35.00)
- Retainership Fees	-	1.20	-	-	1.20
	-	(1.35)	-	-	(1.35)
- Advertisement Expenses	-	6.96	-	-	6.96
	-	(20.36)	-	-	(20.36)
- Reimbursement of Expenses (Net)	-	5.54	-	-	5.54
	-	-	-	-	-
Mainland China Restaurant (LLC)					
- Reimbursement of Expenses	-	-	-	15.55	15.55
	-	-	-	(1.04)	(1.04)
Others	3.09	14.21	-	-	17.30
	(3.09)	(14.21)	-	-	(17.30)
<b>Total</b>	<b>3.09</b>	<b>62.12</b>	<b>-</b>	<b>15.55</b>	<b>80.76</b>
	<b>(3.09)</b>	<b>(70.92)</b>	<b>-</b>	<b>(1.04)</b>	<b>(75.05)</b>
<b>Investment made in Joint Venture Company</b>					
Mainland China Restaurant (LLC)	-	-	-	-	-
	-	-	-	(8.88)	(8.88)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.88)</b>	<b>(8.88)</b>
<b>Loan given to Joint Venture Company</b>					
Mainland China Restaurant (LLC)	-	-	-	34.34	34.34
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.34</b>	<b>34.34</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balances as at 31/03/2015</b>					
<b>Other payables</b>					
Situations Advertising & Marketing Services Private Limited	-	7.74	-	-	7.74
	-	(5.98)	-	-	(5.98)
Shruthi Hotels Enterprises Private Limited	-	2.12	-	-	2.12
	-	(3.27)	-	-	(3.27)
Prosperous Promotors Private Limited	-	1.55	-	-	1.55
	-	(1.55)	-	-	(1.55)
Others	1.48	1.52	-	-	3.00
	(1.48)	(1.52)	-	-	(3.00)
<b>Total</b>	<b>1.48</b>	<b>12.93</b>	<b>-</b>	<b>-</b>	<b>14.41</b>
	<b>(1.48)</b>	<b>(12.32)</b>	<b>-</b>	<b>-</b>	<b>(13.80)</b>
<b>Security deposits</b>					
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)
<b>Total</b>	<b>3.00</b>	<b>87.21</b>	<b>-</b>	<b>-</b>	<b>90.21</b>
	<b>(3.00)</b>	<b>(87.21)</b>	<b>-</b>	<b>-</b>	<b>(90.21)</b>
<b>Advance to Joint Venture Company</b>					
Mainland China Restaurant (LLC)	-	-	-	7.14	7.14
	-	-	-	(1.04)	(1.04)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.14</b>	<b>7.14</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.04)</b>	<b>(1.04)</b>



Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Subsidiary	Jointly controlled entity	Total
<b>Investment in Subsidiary Company</b>					
Love Sugar and Dough Private Limited	-	-	7.50	-	<b>7.50</b>
	-	-	-	-	-
<b>Total</b>	-	-	<b>7.50</b>	-	<b>7.50</b>
	-	-	-	-	-
<b>Provision for diminution in Investment</b>					
Love Sugar and Dough Private Limited	-	-	1.80	-	<b>1.80</b>
	-	-	-	-	-
<b>Total</b>	-	-	<b>1.80</b>	-	<b>1.80</b>
	-	-	-	-	-
<b>Investment in Joint Venture Company</b>					
Mainland China Restaurant (LLC)	-	-	-	8.88	<b>8.88</b>
	-	-	-	(8.88)	<b>(8.88)</b>
<b>Total</b>	-	-	-	<b>8.88</b>	<b>8.88</b>
	-	-	-	<b>(8.88)</b>	<b>(8.88)</b>
<b>Loan given to Joint Venture Company</b>					
Mainland China Restaurant (LLC)	-	-	-	34.34	34.34
	-	-	-	-	-
<b>Total</b>	-	-	-	<b>34.34</b>	<b>34.34</b>
	-	-	-	-	-

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, 2014 in relation to the Balance Sheet

## 29 Earnings per Share

₹ In Millions (except as stated otherwise)

	2014-2015	2013-2014
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	94.52	188.94
Weighted Average Number of Equity Shares for Basic Earnings per share	46.96	46.96
Add: Effect of ESOP's which are dilutive	0.15	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	47.11	46.96
Basic Earnings Per Share (in ₹)	2.01	4.02
Diluted Earnings Per Share (in ₹)	2.01	4.02
Nominal value per share (in ₹)	10.00	10.00

## 30 Employee Stock Option Scheme

- a) During the previous 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 ₹ 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

	2014-2015	2013-2014
Equity shares of ₹ 10 each (number of shares)	577,200	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 ₹ 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 ₹ 126.20 for 1 share of the face value of ₹ 10 each.

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

Particulars	During the year ended 31 March, 2015		During the year ended 31 March, 2014	
	Options	Weighted average exercise price per option (₹)	Options	Weighted average exercise price per option (₹)
Options outstanding at the beginning of the year:	515,300	126.20	-	-
Granted during the year:	-	-	577,200	126.20
Vested during the year:	128,825	126.20	-	-
Exercised during the year:	-	-	-	-
Lapsed during the year:	-	-	61,900	-
Options outstanding at the end of the year:	515,300	126.20	515,300	126.20
Options available for grant:	-	-	-	-

Weighted average remaining contractual life for options outstanding as at 31 March, 2015 is 3.94 years (As at 31 March, 2014 4.94 years ).

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:

₹ In Millions (except as stated otherwise)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Profit as reported	94.52	188.94
Add / (Less): stock based employee compensation (intrinsic value)	-	-
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued (See note (f) below)	(6.29)	(3.55)
Net Profit (proforma)	88.23	185.39
Basic earnings per share (as reported) (in ₹)	2.01	4.02
Basic earnings per share (proforma) (in ₹)	1.88	3.95
Diluted earnings per share (as reported) (in ₹)	2.01	4.02
Diluted earnings per share (proforma) (in ₹)	1.87	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, 2015	31 March, 2014
Risk Free Interest Rate	8.85%	8.85%
Expected Life	4 Years	4 Years
Expected Annual Volatility of Shares	36.47%	36.47%
Expected Dividend Yield	0.79%	0.79%

### 31 Earnings in Foreign Currency

₹ In Millions

Particulars	2014-2015	2013-2014
Royalty and Management Fees	0.77	-
Other Fees	3.29	-
<b>Total</b>	<b>4.06</b>	<b>-</b>

### 32 Expenditure in Foreign Currency

₹ In Millions

Particulars	2014-2015	2013-2014
Legal and Professional Fees	0.85	2.23
Travelling and Conveyance	1.41	0.37
Trademark and registration fees	6.03	5.22
<b>Total</b>	<b>8.29</b>	<b>7.82</b>



### 33 Value of Imported Goods on CIF basis

Particulars	2014-2015	2013-2014
Capital Goods	9.54	13.97

### 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 10) 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, 2015						
	% of Interest	Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Mainland China Restaurant (LLC) Doha (Qatar)	49%	83.76	53.26	-	11.91	-	-
		(11.18)	(3.14)	(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, 2015, Fixed Assets (Capital Work In Progress) include ₹ 197.29 Million (segment assets) (As at 31 March, 2014, ₹ 183.74 Million) related to non-reportable segments.

### 36 Utilisation of IPO Proceeds as on 31 March, 2015

The Company had issued equity shares amounting to ₹ 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, 2015, an amount aggregating ₹ 998.80 Million has been utilised in development of new restaurants, repayment of term loan facilities, general corporate purpose excluding issue related expenses. The balance amount of ₹ 578.50 Million is intended to be utilised in future periods. The unutilised amount has temporarily been invested by the company in mutual funds and term deposits with banks.

37 The Company is yet to realise amounts aggregating ₹ 26.59 Million, receivable from overseas franchisees which are outstanding for a period more than that specified under the Foreign Exchange Management Act, 1999. The Company has initiated the process of obtaining the necessary approvals in this connection.

### 38 Details of consumption of imported and indigenous items

Particulars	2014-2015	
	₹ In Millions	%
Raw materials		
Imported	2.12	0.23%
	(1.10)	0.15%
Indigenous	938.66	99.77%
	(757.99)	99.85%

Note: Figures in paranthesis relate to the corresponding previous year figures.

### 39 Details of Corporate Social Responsibility (CSR) expenditure

₹ In Millions

Particulars	2014-2015	2013-2014
a) Gross amount required to be spent by the Company during the year	5.32	-
b) Amount spent during the year on:		
- Contribution to Prime Minister National Relief Fund	0.55	-

### 40 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 Datta**  
Chairman

**Anjan Chatterjee**  
Managing Director

**Jyotin Mehta**  
Director

**Rajesh Kumar Mohta**  
Executive Director - Finance &  
Chief Financial Officer

**V.S.Satyamoorthy**  
Company Secretary

Place: Mumbai  
Date: 27 May, 2015





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