

  
**Company Secretary**

**SPECIALITY RESTAURANTS LIMITED**

CIN: L55101WB1999PLC090672

Regd. Office: "Uniworth House" 3 A, Gurusaday Road, Kolkata-700 019.

Tel. No. (91 33) 2283 7964/65/66; Fax No: (91 33) 2280 9282;

Website: [www.speciality.co.in](http://www.speciality.co.in); E-mail: [corporate@speciality.co.in](mailto:corporate@speciality.co.in)

**NOTICE OF POSTAL BALLOT**

**(Pursuant to Section 110 of the Companies Act, 2013)**

To  
The Members  
Speciality Restaurants Limited

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 ("Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014, to the Members of Speciality Restaurants Limited (the "**Company**") seeking consent of the Members of the Company to pass the following resolutions through Postal Ballot and/or remote e- voting.

**Special Business:**

**1. Alteration of the Objects Clause and Liability Clause of the Memorandum of Association 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 Section 13 and all other applicable provisions, if any, of the Act, the existing Objects Clause of the Memorandum of Association of the Company be and are hereby amended as under:-

- (a) By deleting the heading of Clause III (A), 'Main Objects to be pursued by the Company on its incorporation are:-' and replacing it with the heading 'The objects to be pursued by the Company on its incorporation are:';
- (b) By amending the existing main objects mentioned in Clause III (A) (1) as under:-
  1. To acquire, construct, own, run and manage and to carry on the business of running hotels, motels, holiday camps, guest houses, restaurants, rest rooms, resorts, canteens, food courts, micro breweries, shops, stores, mobile food counters, eating houses, kiosks, outlets, cafeterias, dine in facility, take away and/or delivery based services, caterers, cafes, taverns, pubs, bars, beer houses, refreshment rooms and lodging or apartments of house keepers, service apartments, night clubs, casinos, discotheques, swimming pools, health clubs, baths, dressing rooms, licensed victuallers, wine, beer and sprit merchants, exporters, importers, and manufacturers of aerated mineral and artificial water and other drinks, purveyors, caterers of public amusement generally and all business incidental thereto, whether as owners, co-owners, joint ventures, operators, franchisees, franchisors and/or any other business model.
- (c) By inserting the following Clause (3) as main objects under Clause (III) (A) of The Objects to be pursued by the Company on its incorporation are:-

3. To carry on the business of manufacturing, buying, selling, producing, processing, importing, exporting, distributing, trading, supplying, running, managing and dealing in all kinds of food, food products, dairy products, bakery & confectionary products whether as owners, co-owners, joint ventures, operators, franchisees, franchisors and/or any other business model.
- (d) By deleting the heading of Clause III (B), 'Objects incidental or ancillary to the attainment of the main objects:' and replacing it with the heading 'Matters which are necessary for furtherance of the objects specified in Clause III (A) are:-'
- (e) By amending the existing Clauses III (B) (16), III (B) (34), III (B) (36) (c), III (B) (38), III (B) (45) and III (B) (46) for replacing the word 'Companies Act, 1956' with 'Companies Act, 2013';
- (f) By amending the existing Clause III (B) (49) as under:-
49. To amalgamate with any company or companies having objects all together or in part similar to those of this company or any other company, subject to the provisions of the Companies Act, 2013.
- (g) By renumbering the existing clause III (C) (1) and inserting the same under Clause III (B) as Clause (51) mentioned below:-
51. To purchase, take on lease, tenancy or license or in exchange, hire, take option over or otherwise acquire any estate or interest in any property whether movable or immovable and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and, in particular, any land (freehold, leasehold or other tenure), buildings, easements, machinery, plant, implements, provisions, hardwares and stock-in and on any such lands to build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control any buildings, offices, factories, mills, foundries, refineries, furnaces, sheds, godowns, shops, roads, ways, bridges or other structures for the purposes of the Company and also for the residence and amenity of its employees, staff and other workmen and to erect and install machinery and plants and other equipments deemed necessary or convenient or profitable for the purposes of the Company.
- (h) By renumbering the existing clause III (C) (26) and inserting under Clause III (B) as Clause (52) mentioned below:-
52. To establish, set up and run hotels, motels, inns, bars, restaurants, fast food centres, pizzerias, ice-cream parlours, amusement and recreation centres, libraries, cold storages, clubs and to act as a boarding and lodging house, keepers, wine, beer and spirit merchants, brewers, maltsters, distillers, and manufacturers of ice-creams, aerated mineral and artificial waters and other drinks, purveyors and caterers.
- (i) By renumbering the existing clause III (C) (38) and inserting under Clause III (B) as Clause (53) mentioned below:-
53. To do all such other acts, deeds or things as are incidental or conducive in the opinion of the Board of Directors to the above objects or any of them.
- (j) By deleting the heading of Clause III (C), "C. Other Objects" and also the Clauses III (C) (1) to III (C) (38) mentioned in Other Objects.

**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Act, the existing Clause IV of the Memorandum of Association of the Company relating to the liability of members be replaced with the following new Clause IV:-

IV. The liability of the Member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and Mr. V.S. Satyamoorthy, Company Secretary be and are hereby severally authorised to take all such actions as may be necessary or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.”

**2. Adoption of new set of Articles of Association 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 Section 14 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as amended, and other applicable provisions, if any, the existing set of Articles of Association of the Company, be and is hereby substituted with the new set of Articles of Association and the same be approved and be adopted as new in place of the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company and Mr. V.S. Satyamoorthy, Company Secretary be and are hereby severally authorised to take all such actions as may be necessary or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution.”

**3. Variation in the terms of the objects of the issue:**

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 Section 61 of the Companies Act, 1956 and Sections 13 and 27 and other applicable provisions if any, of the Act read with Rule 32 of the Companies (Incorporation) Rules, 2014 and Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force and such other approvals, permissions, sanctions, if any, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter called the ‘**Board**’ which term shall be deemed to include any committee thereof), to vary the terms of the objects referred to in the prospectus of the Company dated May 22, 2012 (the “**Prospectus**”), filed by the Company with the Registrar of Companies, West Bengal and the Securities and Exchange Board of India, including revision in the utilisation of the proceeds from the Initial Public Offering (“**IPO**”) of Equity Shares made in pursuance of the said Prospectus and to utilise the balance proceeds from the IPO in relation to the funds intended for setting up restaurants, development of food plaza, repayment of term loans and general corporate purposes amounting to ₹ 578.5 million as of April 1, 2015 in the following manner:

(₹ In million)

Particulars	Estimated schedule of deployment of unutilised proceeds			Total
	FY 2016	FY 2017	FY 2018	
Development of new restaurants/ conversion of existing restaurants	80.0	250.5	248.0	578.5

*The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business. The schedule of deployment is, however, dependent upon various factors beyond the Company's control, such as delays in execution by external contractors, availability of raw materials on commercially acceptable terms or at all, general economic conditions and political conditions and force majeure. Accordingly, the actual amounts to be spent in a particular financial year for the proposed object may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise any portion of the funds towards the aforementioned object as per the estimated schedule of deployment set out above, such surplus amounts shall be deployed in subsequent financial years towards the aforementioned object.*

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto without being required to seek any further consent or approval of the members or otherwise to their end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein referred to any committee of directors or any other officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolution."

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

**V.S. Satyamoorthy  
Company Secretary**

**Place: Mumbai  
Date: August 12, 2015**

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

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Act, setting out material facts and reasons for the proposed Special Resolutions is appended hereinbelow for your consideration.
2. Pursuant to the provisions of Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014, a company is mandatorily required to, in case of certain prescribed items of special business and has an option to in case of other items of special business, seek the approval of the Members to certain resolution(s) through Postal Ballot, instead of getting it passed at General Meeting. Accordingly, your approval is sought for the resolutions contained in this Notice through Postal Ballot.
3. 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 Friday, November 27, 2015.
4. 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 “**Scrutiniser**”) as a Scrutiniser for conducting the Postal Ballot process in accordance with the Act and the Rules made thereunder in a fair and transparent manner.
5. The Notice of Postal Ballot is being sent to all the Members whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on October 16, 2015.
6. The Notice of Postal Ballot, inter-alia indicating the process and manner of remote e-voting 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 Notice of Postal Ballot alongwith the Postal Ballot Form are being sent by the permitted modes of service of documents.
7. A Postal Ballot Form and a postage pre-paid self-addressed business reply envelope are attached to this Notice. The self-addressed envelope bears the address to which the duly completed Postal Ballot Form is to be sent.
8. In compliance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company has also extended the remote e-voting facility as an alternate, for its Members through remote e-voting platform provided by Central Depository Services (India) Limited (CDSL). E-voting is optional.
9. **PROCEDURE AND INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS:**  
The instructions for shareholders voting electronically are as under:
  - A. **In case of Members receiving e-mail:**
    - (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - (ii) Click on “Shareholders” option.

- (iii) Now enter your User ID as follows:
- Members registered with CDSL enter your 16 digit beneficiary ID;
  - Members registered with NSDL enter your 8 Character DP ID followed by 8 Digit Client ID;
  - Members holding shares in Physical Form should enter Folio Number registered with the Company;
- (iv) Next enter the Image Verification as displayed and click on the “Login” tab.
- (v) If you are already registered with the Service Provider for e-voting, then please use your existing password.
- (vi) 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”)	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Date of Birth	<ul style="list-style-type: none"> <li>Enter your Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</li> </ul>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the Date of Birth or Dividend Bank Details in order to login. If 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>

- (vii) After entering these details appropriately, click on the “Submit” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach the “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 Service Provider’s 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.
- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the “EVSN” for “Speciality Restaurants Limited” on which you choose to vote.
- (xi) On the voting page, you will see “Resolution Description” and against the same, the option “Yes/No” for voting. Select the option “Yes” or “No” as desired. The option “Yes” implies that you assent to the resolution and option “No” implies that you dissent to the resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “Submit”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Ok”. To change your vote, click on “Cancel” and accordingly modify your vote.
- (xiv) Once you “Confirm” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a printout of your voting by clicking on the “Click here to print” option on the voting page.
- (xvi) 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.
- (xvii) **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 mailed 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. (i) to (xvii) specified above to cast vote.

10. The e-voting period begins on Thursday, October 29, 2015 (10.00 a.m.) and ends on Friday, November 27, 2015 (5.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, October 16, 2015 (the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under the help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

11. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, October 16, 2015.
13. A member desirous of exercising his/her vote by physical Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutiniser in the enclosed self-addressed pre-paid postage business reply envelope. Postal charges will be borne and payable by the Company. However, if the member decides to courier or send by registered post or delivers his/her Postal Ballot Form in person, expenses will be borne by such member.
14. Members who have not received the Postal Ballot Form and are desirous of seeking a duplicate form or members who have been sent this Postal Ballot Notice electronically and who do not want to avail the E-voting facility organized through CDSL, may send a request on the following e-mail id: [investor@speciality.co.in](mailto:investor@speciality.co.in) by mentioning his/her Folio/DP ID and Client ID No. for obtaining the Notice and Postal Ballot in physical form from the Company. The Member has to send back the duly completed Postal Ballot form to ensure that it reaches the Scrutiniser on or before Friday, November 27, 2015 by 5.00 p.m. failing which, it will be strictly considered that no reply has been received from the Member.
15. Members can choose only one of the two options, namely e-voting or voting through physical assent/dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
16. The Postal Ballot Form, duly completed and signed by the member should be returned in the self-addressed pre-paid postage business reply envelope directly to the Scrutinizer not later than close of the working hours of November 27, 2015. Any Postal Ballot Form received after such date shall be treated as if the reply from the member has not been received.
17. The Scrutiniser will submit his report within the stipulated time after the completion of the scrutiny of the Postal Ballot Forms including e-voting. The results of the Postal Ballot shall be declared on or before 6.00 p.m., on Monday, November 30, 2015 at the Corporate office of the Company at Morya Land Mark-1, 4<sup>th</sup> floor, B-25, Veera Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 053, shall be placed alongwith the Scrutiniser's Report on the website of the Company viz. [www.speciality.co.in](http://www.speciality.co.in) and displayed at the Registered Office as well as Corporate Office of the Company, immediately after the declaration of result by the Chairman or a Director authorised by him in writing. The results shall also be communicated to the BSE Limited, National Stock Exchange of India Limited and the Service Provider, CDSL (E-Voting agency). In the event, the proposed Resolutions are approved by the requisite majority of the Members, the date of passing of the said Resolutions will be Friday, November 27, 2015 being the last date for receipt of Postal Ballot Forms/ casting of votes by E-Voting.
18. The Scrutiniser's decision on the validity of the Postal Ballot and remote e-voting shall be final and binding.
19. The Notice and the draft of the proposed amendments to the Memorandum of Association and the adoption of new set of Articles of Association of the Company will be displayed on the website of the Company at [www.speciality.co.in](http://www.speciality.co.in) and the same will be available for physical inspection at the registered office of the Company during business hours except Saturdays till the closure of the voting period.



## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.**

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”), sets out all material facts relating to the business mentioned in the accompanying Notice dated August 12, 2015.

### **Item No. 1: Alteration of Objects Clause and Liability Clause of the Memorandum of Association of the Company:**

1. With the enactment of the Companies Act, 2013 it is considered expedient to amend the existing Memorandum of Association in accordance with the requirements of the Companies Act, 2013. Accordingly it is proposed to carry out the amendments in the following manner:-
  - (a) In terms of Section 4(1) (c) of the Companies Act, 2013 the Memorandum of Association of a company is to state the objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof. As such, the requirements of separately indicating the ‘main objects’, ‘objects incidental or ancillary to the attainment of the main objects’ and ‘other objects’ under the erstwhile Companies Act, 1956 has changed. Accordingly, it is proposed to delete the existing heading of Clause III (A), ‘Main Objects to be pursued by the Company on its incorporation are’ and replace the same with the new heading ‘The objects to be pursued by the Company on its incorporation are’; and to delete the existing heading of Clause III (B) ‘Objects incidental or ancillary to the attainment of the main objects:’ and replace the same with the new heading ‘Matters which are necessary for furtherance of the objects specified in Clause III (B) are:-’
  - (b) The Company is presently engaged in the restaurant business. As one of the leading restaurant operators, the Company has substantial experience and expertise in the development of food courts, mobile food counters, take away and/or delivery based services. With a view to maximizing the stakeholders’ value, the management of the Company has been exploring new avenues of business which will generate revenue, which may be conveniently and advantageously combined with the existing business of the Company.
  - (c) In order to carry out the new business activities which can be conveniently and advantageously combined with the existing business of the Company, it is proposed to amend the Clause III (A) (1) of the existing Main Objects as under in order to give effect to new business opportunities.
    1. To acquire, construct, own, run and manage and to carry on the business of running hotels, motels, holiday camps, guest houses, restaurants, rest rooms, resorts, canteens, food courts, micro breweries, shops, stores, mobile food counters, eating houses, kiosks, outlets, cafeterias, dine in facilities, take away and/or delivery based services, caterers, cafes, taverns, pubs, bars, beer houses, refreshment rooms and lodging or apartments of house keepers, service apartments, night clubs, casinos, discotheques, swimming pools, health clubs, baths, dressing rooms, licensed victuallers, wine, beer and spirit merchants, exporters, importers, and manufacturers of aerated mineral and artificial water and other drinks, purveyors, caterers of public amusement generally and all business incidental thereto, whether as owners, co-owners, joint ventures, operators, franchisees, franchisors and/or any other business model.

- (d) At present the Company is engaged in the business of dealing in confectionary items. As the Company has been exploring new avenues of business in bakery products, which can be conveniently combined with the existing confectionary business, it is proposed to insert the following Clause (3) under Main Objects after Clause III (A) (2):
3. To carry on the business of manufacturing, buying, selling, producing, processing, importing, exporting, distributing, trading, supplying, running, managing and dealing in all kinds of food, food products, dairy products, bakery products & confectionary items, etc., whether as owners, co-owners, joint ventures, operators, franchisees, franchisors and/or any other business model.
- (e) To replace the word 'Companies Act, 1956' with 'Companies Act, 2013' by amending the existing Clauses III (B) (16), III (B) (34), III (B) 36 (c), III (B) (38), III (B) (45) and III (B) (46) to that extent and also to modify the existing Clause III (B) (49) suitably.
- (f) It is proposed to move Clauses 1, 26 and 38 of 'Other Objects' in the existing Memorandum of Association as relevant and may be required, to the Clause III (B) of the Memorandum of Association by renumbering as Clauses III (B) (51, 52 and 53).
- (g) It is proposed to delete the heading of Clause III (C), "Other Objects" and also delete the existing Clauses III (C) (1) to III (C) (38) of "Other Objects".
- (h) In terms of Section 4(1)(d) of the Companies Act, 2013 the Memorandum of Association of the Company is to state, in the case of a company limited by shares, that liability of its members is limited to the amount unpaid, if any, on the shares held by them. Accordingly, it is proposed to amend Clause IV of the Memorandum of Association of the Company so as to comply with the provisions of Sections 4 and 13 and other applicable provisions, of the Companies Act, 2013.
2. The revised draft of MOA will be displayed at the website of the Company at [www.speciality.co.in](http://www.speciality.co.in) and the same is available for physical inspection at the registered office of the Company during business hours except Saturdays till the closure of the voting period.
  3. The alteration of MOA requires the approval of the Members by means of a Special Resolution pursuant to Section 13 of the Act. Further, in terms of the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the approval of the Members should be taken for alteration of the Main Objects of MOA through Postal Ballot only.
  4. The Board of Directors, in its meeting held on August 12, 2015, has accorded their approval for alteration of the MOA. Your Directors recommend the same for approval of the Members to be passed as a Special Resolution.
  5. None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution set out as Resolution No.1 of the Notice, except to the extent of their respective shareholdings in the Company.

**Item No. 2 - Alteration of the Articles of Association of the Company:**

1. The existing Articles of Association (the “AOA”) of the Company are as per the requirements of the Companies Act, 1956 and accordingly contain certain references to the sections of this Act wherever required in the AOA. In addition, pursuant to the provision of the Act certain other alterations are required to be made in AOA. In view of this, it is proposed to wholly replace the existing AOA by a new set of Articles.
2. The revised draft of AOA will be displayed at the website of the Company at [www.speciality.co.in](http://www.speciality.co.in) and the same is available for physical inspection at the registered office of the Company during business hours except Saturdays till the closure of the voting period.
3. As per the provisions of Section 14 of the Act, alteration of the Articles of Association of the Company needs to be approved by the Members of the Company. Further, in terms of the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the approval of the Members may be taken through Postal Ballot instead of transacting such business at a general meeting.
4. The Board of Directors in its meeting held on August 12, 2015 has accorded their approval for adoption of new AOA in substitution, and to the entire exclusion, of the set of regulations contained in the existing AOA. The Board of Directors recommends the Special Resolution for approval of the Members through Postal Ballot.
5. None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the resolution set out as Resolution No.2 of the Notice, except to the extent of their respective shareholdings in the Company.

**Item No. 3 - Variation in the terms of the objects of the Issue:**

1. Pursuant to the approval of the Board and the Shareholders received in the year 2012, the Company had undertaken an initial public offering of its equity shares of ₹ 10 each (the “IPO”). The net proceeds from the IPO were ₹ 1760.9 million. The disclosures regarding utilization of net proceeds of the Issue in the Prospectus included the following: (i) development of new restaurants and (ii) development of a food plaza (the “Objects”). Whilst the Company has made its best efforts to utilise the proceeds of the Issue, it has been unable to utilise approximately ₹ 578.5 million, as of March 31, 2015 (the “Unutilised Amount”) towards the Objects. As of March 31, 2015, the following is the amount that has been utilised by the Company:

(₹ In million)

Particulars	As per prospectus	Amount Utilised till March 31, 2015	Extent of Achievement (in %)
Development of new restaurants	1,316.0	894.1	67.9
Development of a food plaza	151.0	-	-
Repayment of term loan facilities	94.2	94.2	100.0
General corporate purposes	10.5	10.5	100.0
Issue related expenses	189.2	183.6	97.0
<b>Total</b>	<b>1,760.9</b>	<b>1,182.4</b>	<b>67.2</b>

2. The Company has been unable to utilize the balance amounts proposed to be utilized towards:
- the development of new restaurants on account of the economic slowdown over the last few years and the volatility of the restaurant industry, forcing the company to progressively utilise the funds in a judicious manner keeping in view the interests of the stakeholders of the company; and
  - the development of a food plaza, on account of delay in obtaining certain approvals for setting up the food plaza.
3. The Company proposes to utilise the balance amount towards development of new restaurants / conversion of existing restaurants under new formats in various locations across the country depending upon various factors such as the customer's preference, competition, suitable location, selection of suitable premises at an affordable rent, etc., and old liabilities for restaurants which were completed prior to March 31, 2015 and also for capital expenditure on restaurants for which work started prior to March 31, 2015. The balance amount as of April 1, 2015 amounting to ₹ 578.5 million is proposed to be used for the objects relating to the business of the Company in the following manner:

(₹ In million)

Particulars	Estimated schedule of deployment of unutilised proceeds			Total
	FY 2016	FY 2017	FY 2018	
Development of new restaurants/ conversion of existing restaurants	80.0	250.5	248.0	578.5

*The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company's business. The schedule of deployment is, however, dependent upon various factors beyond the Company's control, such as delays in execution by external contractors, availability of raw materials on commercially acceptable terms or at all, general economic conditions and political conditions and force majeure. Accordingly, the actual amounts spent in a particular financial year for the proposed object may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise any portion of the funds towards the aforementioned object as per the estimated schedule of deployment set out above, such surplus amounts shall be deployed in subsequent financial years towards the aforementioned object.*

4. The estimated financial impact of the proposed alteration on the financial statements of the Company cannot be quantified at this stage as it depends on a variety of factors. Whilst development of new restaurants would result in increased capital expenditure, the same is proposed to be entirely funded from the Unutilised Amounts. In the event that the estimated expenditure increases due to factors such as inflation or escalation in the cost of raw materials, the Company would have to utilise internal accruals or external indebtedness to meet such shortfall. This may adversely affect the Company's financial statements. However, the income from such new restaurants may not be commensurate with internal expectations and may take longer than expected to become profitable.
5. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face.

***Operation related risks:***

- (a) Our business, financial condition, results of operations and prospects may be adversely affected due to various factors, some of which may be outside our control, including (i) the inability to ensure continued consumer spending on non-essential products, services and our ability to respond to competitive pressures and changing consumer preferences is commensurate with or higher than our fixed costs; (ii) the inability to anticipate and effectively react to changes in the cost of raw materials and supplies, costs of which depend on factors including, seasonality, supply and demand in local and international markets, and general economic conditions; (iii) increase in competition and changing guest traffic patterns, which could exert downward pressure on prices, lower demand for our products and restaurant concepts; and (iv) negative publicity about the ingredients we use or the occurrence of food-borne illnesses or other problems at our restaurants.

***Risks related to development of new restaurants:***

Please see below risk factors related to development of new restaurants:

- Expansion of our business in Indian cities and other locations as well as into new restaurant formats: We propose to utilise the Unutilised Amounts towards development of new restaurants and continue to expand our operations. Such expansion is intended to be rolled out primarily through company owned operations and franchise operations across India. We cannot guarantee that we will be able to recoup our costs and operate new restaurants profitably in the short-term or at all. Further, expansion may place substantial demands on our management and our operational, technological and other resources to maintain consistent quality and to ensure that our brand does not suffer as a result of any deterioration, whether actual or perceived, in the quality of our food or service. To manage and support our growth, we may be required to improve our existing operational and administrative systems as well as our financial and management controls. Our continued success also depends on our ability to recruit, train and retain additional qualified financial and management personnel as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. In the event we are unable to implement any of the above standards, our business, financial condition, results of operations and prospects may be adversely affected.

- *Escalation in costs incurred in the development of new restaurants:* We typically incur a significant amount of start-up costs including architecture and design fees and construction costs. Any cost escalations can lead to an increase in our capital expenditure and delay our break-even period. We cannot guarantee that we can recoup our costs and operate new restaurants profitably in the short-term or at all. Furthermore, we cannot guarantee that any new restaurant we open will obtain operating results similar to those of our existing restaurants. In addition, if we open new restaurants in our existing geographic locations, the sales performance and guest traffic of our existing restaurants near new restaurants may decline as a result or the new restaurants may not yield the desired results. All or any of the above factors may adversely affect our ability to achieve the anticipated growth in revenue and profitability of our entire restaurant business.
- *Effectiveness of our marketing and advertising programmes:* We currently plan to expand our operations in new locations in existing as well as new cities, in India. New markets or new restaurant concepts and brands may also have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets or our existing restaurant concepts and brands. Our ability to penetrate further into the existing geographic locations where we already have a presence depends in part on our ability to successfully market ourselves and our ability to expand the range of our services. It is possible that we will not achieve our targeted level of expansion within existing geographic locations. If any of this were to happen, sales and profits growth may be materially and adversely affected.
- *We have not entered into any substantive agreements for the use of all the Unutilised Amounts:* While we intend to use the Unutilised Amounts towards development of new restaurants, we have not entered into any definitive agreements to utilise the entire portion of the Unutilised Amount and have not obtained relevant approvals, licenses or consents for such operations. Any failure to enter into any such agreement on favourable terms or obtain such approvals, licenses or consents, in a timely manner, or at all, may have an adverse effect on our business, results of operations, financial condition and prospects.
- *Incurring fixed costs which may not yield adequate returns:* A significant portion of our expenses in opening new restaurants is incurred on interiors, fixtures and equipments and are customised for a particular restaurant concept. In the event of closure of such restaurants, we may be unable to transfer these fixtures and equipment to another restaurant. Further, such fixtures and equipment may have limited resale value, which in turn may have a material adverse effect on our results of operation.
- *Funding requirements have not been appraised by any bank/ financial institution:* The funds requirement and funding plans of Unutilised Amounts are as per our own estimates and have not been appraised by any bank/financial institution. The deployment of funds in the projects, or pending utilisation for such projects, is entirely at our own discretion and will not be monitored by any external agency.

- *Deployment of funds based on management estimates:* In view of the highly competitive nature of the industry, in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programmes and an increase or decrease in our proposed expenditure for a particular object. Further, our planned capital expenditure may not yield the intended benefits.
6. The Board of Directors recommends the above resolution for your approval by way of a Special Resolution.
  7. None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out as Resolution No.3 of the Notice, except to the extent of their respective shareholdings in the Company.

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

**V.S. Satyamoorthy  
Company Secretary**

**Place: Mumbai**

**Date: August 12, 2015**

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

*CIN:* L55101WB1999PLC090672

*E-mail:* [corporate@speciality.co.in](mailto:corporate@speciality.co.in)

*Phone:* 033-22837964/65/66.

*Fax No:* 033-22809282.

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