



SPECIALITY
RESTAURANTS LTD.

Morya Land Mark - 1, 4th Floor, B-25, Veera Industrial Estate, Off New Link Road, Andheri (W), Mumbai - 53
Tel No. (022) 3341 6700 Fax No. (022) 3340 6878 Website www.speciality.co.in

August 29, 2016

To,

✓ **General Manager,
Listing Operations,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai - 400 001.**

**Vice President,
Listing Compliance Department,
National Stock Exchange of India Limited,
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.**

Dear Sir/ Madam,

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Sub: Submission of the Annual Report for the year ended March 31, 2016.

This is to inform you that 17th Annual General Meeting (the "17th AGM") of the Members of the Speciality Restaurants Limited (the "Company") was held on August 24, 2016 at Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700017.

In accordance with the Regulation 34 of Listing Regulations, we enclose herewith a copy of the Annual Report for the financial year ended March 31, 2016, which was approved and adopted in the 17th AGM as per the provisions of the Companies Act, 2013.

You are requested to kindly take the same on record.

Kindly acknowledge the receipt.

Thanking you,

Yours sincerely,

For Speciality Restaurants Limited


Authprized Signatory

Name: Avinash Kinshikar
Designation: Company Secretary & Legal Head

Encl: As above.



Annual Report, 2016

SPECIALITY
RESTAURANTS LTD.



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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 Asia Kitchen by Mainland China, serves authentic cuisines of Chinese provinces and dishes from across Asia through 52 restaurants in 22 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 bring 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 elegance and refinement, brought alive by care and personalized service in a warm, vibrant environment, that makes everybody feel special.



From the CHAIRMAN'S DESK



Dear Shareholders,

After two consecutive years of unabated pressure upon disposable income, we now foresee an easing of consumer price inflation as a result of concerted action by the Government of India and RBI.

We expect that the recent decision to implement the amended APMC Act would reduce pressure on fruit and vegetable prices. The economy is also expected to maintain the higher growth rate, as measured by the new index. Therefore, the prospects of the Hospitality sector, which includes Fine Dining, are likely to revive in 2017.

Meanwhile, the economic austerity of the last 24 months has resulted in a shift from the full service to the self-service format. This move has been aided by the faster pace of social life created by various internet-based applications. Your company has been alive to these changes in consumer preferences and it has constantly innovated its service offerings in response.

Your company is keenly aware of the service-intensive nature of the fine-dining industry and it has constantly innovated to be at the leading edge of the new service format. The highly motivated and well-trained band of employees have keenly participated in these changes.

The range of outlets as well as the service offering have both been renewed and refreshed. The company, therefore, is ready to ride the crest of the long-awaited revival of consumer demand.

A handwritten signature in black ink.

Susim Mukul Datta
Chairman



Our foundation, built on brands

Each of our brand enjoys 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

What started off as Speciality's innovative venture in offering diners Chinese cuisine of a fine dining quality, soon transformed into its flagship brand with 52 restaurants in 22 cities across the country. Having conquered taste buds in India, Mainland China has also set forth with international expansions. After gaining a loyal following in Tanzania, Mainland China set its sights in Doha. Now fully functional, Mainland China, Doha continues the grand Chinese tradition of fine dining which has now gained a reputation for serving the finest Chinese cuisine outside China to discerning gourmets all over the world.

This brand has acquired great acclaim, top of the mind recall, and a loyalty among gourmets over the years with its perfect balance of Ying Yang flavours aimed at bringing together harmonizing and contrasting aspects of Chinese cuisine.

Formerly known as Mainland China Asia Kitchen, Asia Kitchen by Mainland China is a refreshed look into the eat streets around Asia



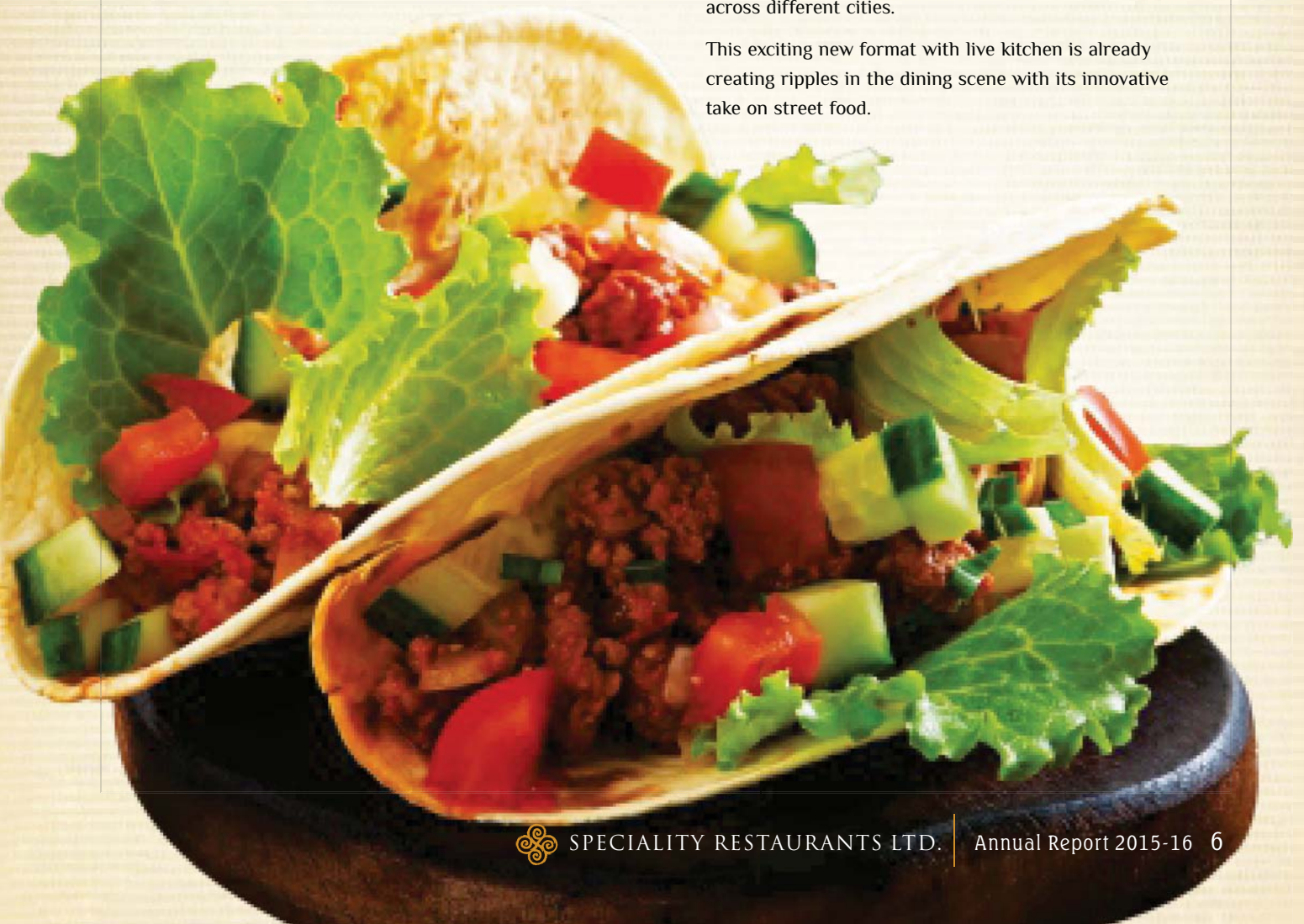


Asia Kitchen by Mainland China

Asia Kitchen by Mainland China was conceived as a brand refresh for Mainland China offering a taste of the food-streets of the Far-East, flavoured and seasoned to perfection from Hong Kong, Thailand, Malaysia, Myanmar, Japan, Singapore and of course China.

After receiving a tremendous response from its first outlet at Oberoi Mall, Mumbai, led to the opening of a second restaurant at Palladium Mall followed by unveilings in Chennai and Bangalore. Its maiden inaugural at Acropolis Mall in Kolkata garnered much praise and appreciation. Asia Kitchen by Mainland China is currently undergoing plans to open additional outlets across different cities.

This exciting new format with live kitchen is already creating ripples in the dining scene with its innovative take on street food.



Core Brands

Oh! Calcutta



Oh! Calcutta

Oh! Calcutta is an ode, a celebration to the romantic city of Calcutta and its gastronomic delights. Here, the cuisine is quintessential Bengali. It offers a diverse and traditional fare of authentic Bengali cuisine that is reminiscent of Kolkata as it once was. Contemporary yet evocative. Modern yet traditional.

Our Chefs regularly source rare ingredients from the region, visiting small hamlets in search of unique dishes that consistently surprise the palate. To ensure the experience is unique with every visit. As a result, the brand is constantly pushing the envelope to always bring something memorable to the table.

sigree

GLOBAL GRILL



Sigree Global Grill:

As an outlet, Sigree Global Grill, specializes in unlimited grills from the Orient, Mediterranean, Spanish, Mexican and of course Indian cuisines, served on live grills in the style of Brazilian Churrascaria or Japanese Hibachi. Sigree Global Grill brings together next generation dining for the globe-trotting gourmet that too at an all-inclusive price.

Sigree Global Grill is already a winner of Times Good Food Awards for Best Multi Cuisine Buffet in Mumbai.

This model of dining has attracted several new players in the market offering a similar kind of cuisine, therefore Sigree Global Grill's approach in the future remains in highlighting its unique offerings which differentiates it from the others.

Sweet Bengal



Sweet Bengal

Speciality Restaurant's venture into confectionaries began with Sweet Bengal. Sweet Bengal opened in Mumbai to give sweet connoisseurs a taste of authentic Bengali delicacies.

Made from the freshest milk, ghee and natural extracts by sweet makers specialized in making Bengali sweets for generations, Sweet Bengal has created a niche in its category and has become the favourite destination for those seeking authentic Bengali sweets.

For its next chapter, Sweet Bengal is contemplating expanding and spreading its sweetness in other cities.

Power Brands

CAFÉ MEZZUNA



Café Mezzuna

Café Mezzuna proved its potential with its first launch at Forum Mall, Kolkata. Conceived as an all-day, semi-casual dining restaurant, Café Mezzuna serves up a feast of Moroccan, Mediterranean, Spanish, French and Italian flavours with a carefully-designed bar menu, keeping in mind the well-travelled connoisseur.

A great success led to the second opening in Kolkata, this time at South City Mall. Café Mezzuna recently launched in Mumbai and attained a hearty response and shows increasing trends every month.

This appreciation has translated into winning the Times Good Food Awards for Best Thin Crust Pizza and Best All Day Dining Café in Pune.

As of this year, Café Mezzuna successfully launched its first outlet in Mumbai with its second one in Kolkata, both of which received rave reviews.



Hoppipola

In a short span of just 3 years, Hoppipola has successfully opened 10 outlets in several cities. This speaks volumes of this brand's potential.

Literally meaning “jumping in puddles” in Icelandic, Hoppipola is for those who are young at heart. Patrons are encouraged to participate in Beer Pong, Chuggathons, read from a quirky book section, play video and board games among other fun stuff.

As a way of catering to a growing market of young, independent diners, Hoppipola offers ample contemporary flavours such as finger food and bar nibbles. Innovative mocktails also add to the funky menu.



Other Brands

HAKA



Haka

Devised for guests on the go, Haka provides an innovative menu and a range of quick bites and dim sums. Haka is ideal for those seeking to go shopping and have a quick bite before entering the movies. It has gained quite a popularity with the youth.

MACHAAN



Machaan

With a unique jungle theme, Machaan was created as the perfect getaway from the hustle and bustle of the city.

Machaan specializes in serving traditionally cooked Indian dishes in a way that retains the freshness of each ingredient.

The combination of an imaginative ambience with a delectable menu draws in children and large families.



sigree



Sigree

Harking back to the laid-back times of cooking over open fires, Sigree promises to take diners to that erstwhile era. With flavours predominantly from the North Western frontiers of India, Sigree keeps it simple and minimal and follows cooking as if catering to the true taste of Maharajas.

KIX

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

SHACK

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

kibbeh

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

Flame & grill

With a modern ambience and a vibrant offering ranging of kebabs seasoned with special spices, Flame & Grill lets you savour grilled cuisines from the world over.

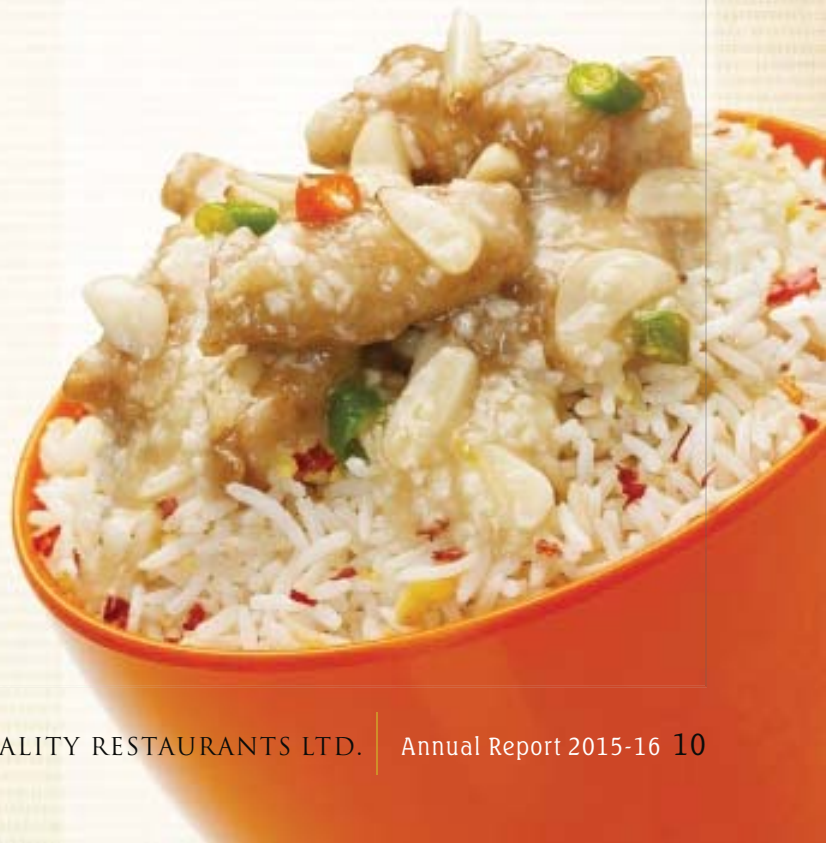
zoodles
Asian Street Wok



Zoodles

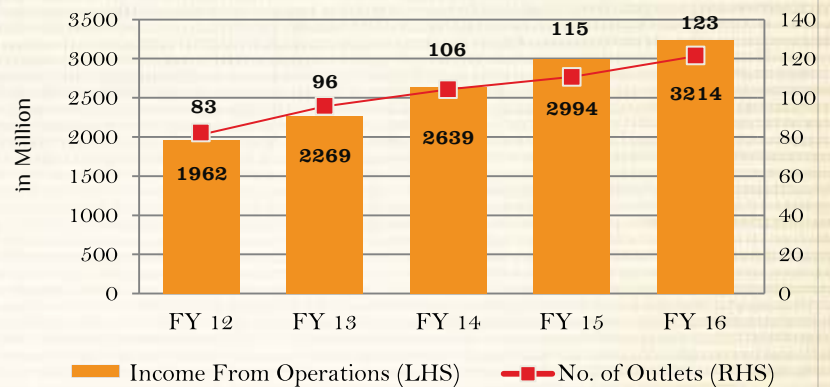
Inspired by the sights, sounds and tastes of the buzzing food streets of Kuala Lumpur, Shanghai, Bangkok and Singapore, Zoodles is your veritable destination for tossed, stirred, grilled and wok fried delicacies.

Zoodles is your one-stop destination for a healthy and delicious bite of Asia's exotic soul food.

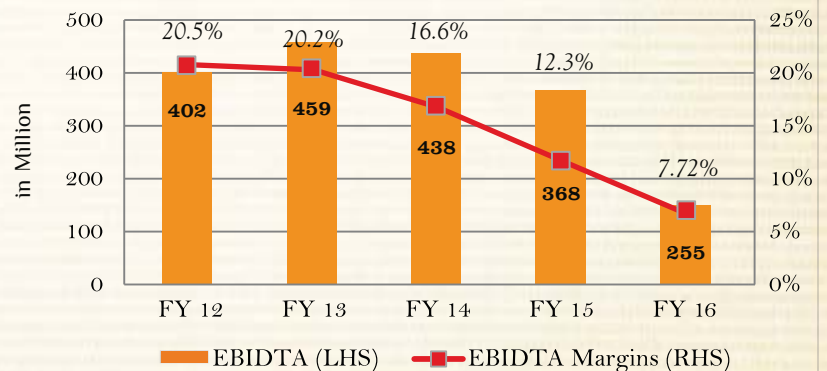


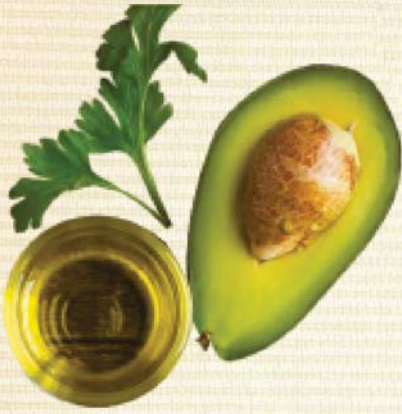
What the numbers say

Total Income from Operations and Outlets

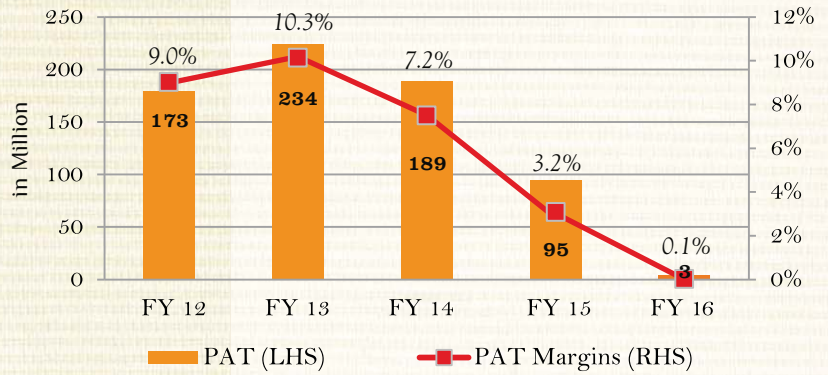


EBIDTA and EBIDTA Margins

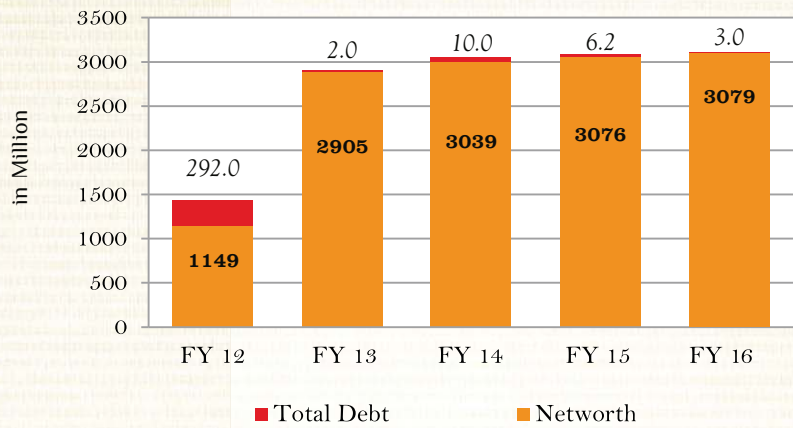




PAT and PAT Margins



Net Worth and Total Debt



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 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 over 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.

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.

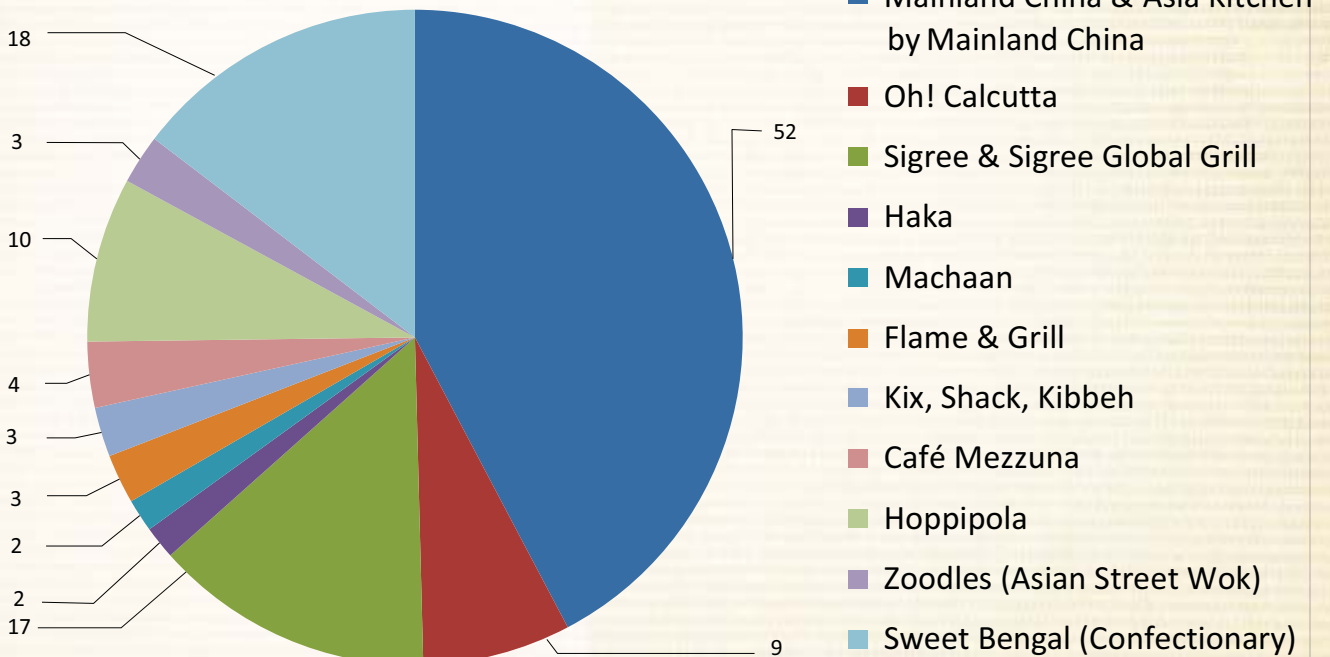


Brand presence

Brands & Number of Outlets as on March 31, 2016



Mainland China now operational in Doha, Qatar





Brands

Mainland China and Asia Kitchen by Mainland China

Oh! Culcutta

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

22 cities in India and one in Dhaka (Bangladesh) and one in Dar es Salaam (Tanzania)

Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad

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

Kolkata

Kolkata and Howrah

Hyderabad and Kolkata

Kolkata, Mumbai and Bengaluru

Bengaluru, Chennai, Pune, Kolkata and Mumbai

Kolkata and Hyderabad

Mumbai

Mumbai



From the Managing Director's Desk



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

1. How are you looking at the prevalent current macroeconomic scenario?

The World Bank has predicted India's Gross Domestic Product (GDP) could grow at the rate of 8% by 2017 on the back of strong expansion in the country, boosted by favorable oil prices and accelerated economic growth in South Asia. The country is attempting to shift from consumption to investment-led growth.

Going forward, CPI inflation is expected to decelerate modestly and remain around 5 per cent during 2016-17. However, there are uncertainties surrounding this inflation path emanating from the recent upturn in commodity prices, especially oil. On the other hand, there will be some offsetting downside pressures stemming from tepid demand in the global economy, Government's effective supply side measures keeping a check on food prices, and the Central Government's commitment to fiscal consolidation.

2. Why is the flagship brand Mainland China, undergoing a brand refresh?

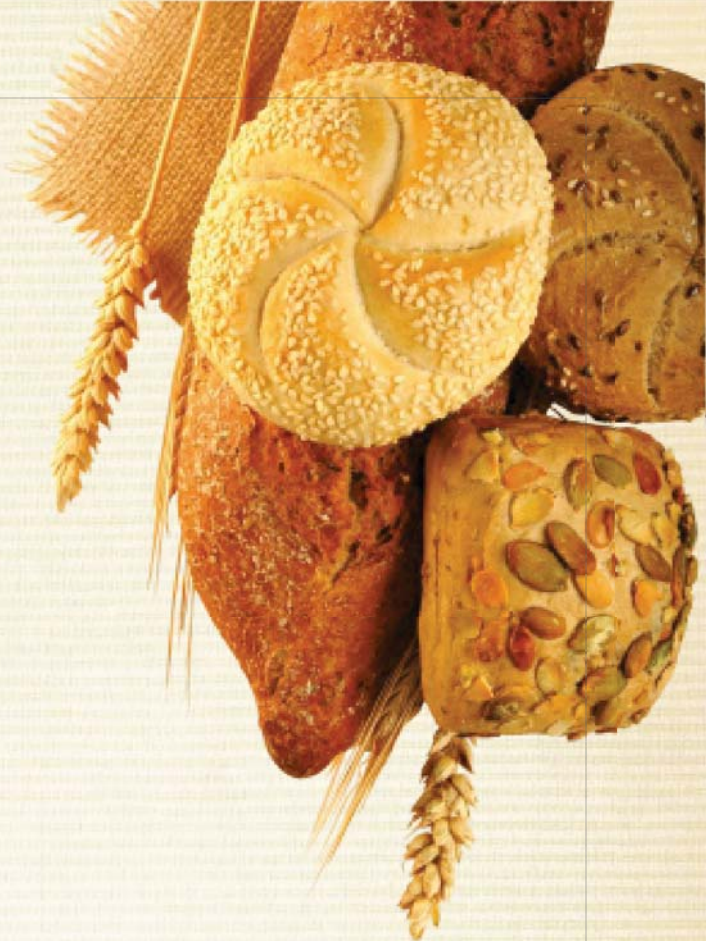
I personally feel that Chinese will never go out of fashion and we continue to believe that value addition is the key driver to get footfalls. As you are aware that first Mainland China restaurant started in the year 1994 and continues to enjoy the patronage of guests till date. What we found that changing aspiration of guests resulted into refresh of Mainland China brand as Asia Kitchen by Mainland China that serves cuisines from across Asia beyond Chinese.

3. Please explain how Sweating of Assets, a concept you have focused on recently will improve Operational Leverage and eventually, Profitability.

We have properties where the part of the space/floor was unutilized but the company was paying rental for the entire space. In order to sweat the asset we started Hoppipola at those places during the last two years in which case the existing rent got amortized resulting into improved operating leverage and profitability.

4. What is the future of franchisee formats going forward and how does it fit into the company's overall growth plan?

As of now there are no further plans of opening more number of franchisee restaurants in the fine dining space, except a couple of them, for which we have already entered into agreements earlier. However in the QSR space we have plans to expand our 'Zoodles' brand outlets through the franchise route both intra city and inter-city, as we are receiving franchise inquiries for the same. We opened our first franchise outlet of Zoodles at the T2 Mumbai International airport recently



which has been accepted very well by the guests. It would be a hub and spoke model where we would have our own commissary catering to at least 10-15 restaurants in time to come.

5. Why has the company hesitated to hike prices given the steady rise in input costs? Can we expect one soon?

You would appreciate that the pressure on discretionary spends did not allow us to neutralize the steady rise in input costs by increasing the menu prices, primarily because we wanted to retain the footfalls in the restaurants which has already been facing huge challenges due to macro economic factors.

It is very difficult to say as to when a price increase can be effected because it is a combination of various factors including external environment.





However, we are very hopeful that with the improvement in the macro environment, there would be some cushion available to us to effect a price rise.

6. What is the Outlook on Gross Margins across Formats? Will they come under further pressure going forward?

With normal monsoon expected this year, we expect stability in input costs primarily with respect to prices of raw materials in coming months because of which I do not see any further pressure on the gross margins. Moreover with GST going through there is a possibility of improvement because of cenvat.

7. How do you propose to retrieve your falling margins and enhance profitability going forward?

Firstly, we all are working towards reduction in the fixed cost, be it in the form of rent reduction either by reducing the restaurant area or reduction in the area of kitchen by having advanced equipments which require less space. We would also try to locate store areas near to the restaurant which would directly result in lesser number of manpower requirement. Efforts are also on to improve the revenues of the same store sales through various marketing efforts, being active on social media platforms, planning

various promotions/food festivals specially to boost weekday sales where the challenge lies.

Secondly, for the stores which are not cash positive, we are trying our best to at least cash breakeven level and if we find that despite of all efforts there is no visibility of turnaround we would not be afraid to take a hard decision of closure of such outlets in an effort to stall the sustained cash drainout.

All these measures of boosting revenues, cost rationalisation and closure of loss making outlets will in the long run help in improvement of our margins.

8. What can we expect in FY 2017?

We realize that we have just weathered a very rough patch in FY 2016, especially towards the end but we remain focused on maintaining a dynamic fix of formats and await the inevitable uptick in discretionary spending which we hope should benefit us significantly.

In a nutshell, during FY 2017, we expect to get back on the road to stability and enhanced growth and profitability that we had traversed on all these years. My management team and I will leave no stone unturned to ensure this is done.



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 (resigned w.e.f. May 9, 2016) | Non-Executive Director |

Board Committees

Audit Committee

| | |
|-------------------|-----------------------------------|
| Jyotin Mehta | (Chairman) |
| Susim Mukul Datta | (inducted w.e.f. August 12, 2015) |
| Anjan Chatterjee | |
| 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 | |
| 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 & Legal Head

Avinash Kinhikar

Auditors

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

Registrar & Share Transfer Agents

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400078.
Tel. No. (91 22) 25946970-78
Fax No. (91 22) 25946969
E-Mail: 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
CIN: L55101WB1999PLC090672

Corporate Office

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

**17th Annual General Meeting at
Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017
on Wednesday, August 24, 2016 at 11.00 a.m.**



NOTICE

Notice is hereby given that the 17th Annual General Meeting (the “17th AGM”) of the Members of **SPECIALITY RESTAURANTS LIMITED** (the “Company”) will be held on Wednesday, August 24, 2016 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 as at and for the financial year ended March 31, 2016, the Audited Balance Sheet as at and for the financial year ended March 31, 2016, the Report of the Board of Directors of the Company (the “Board”) and the Auditor’s Report thereon.
2. To appoint a Director in place of Mr. Indranil Chatterjee (DIN: 00200577), who is liable to retire by rotation and being eligible, has offered himself for re-appointment.
3. **Ratification of appointment of Statutory Auditors and fixing their remuneration:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) and the rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration Number: 117366 W/W-100018), as the statutory auditors of the Company to hold office from the conclusion of this 17th AGM until the conclusion of the next annual general meeting of the members of the Company on such remuneration to be fixed by the Board based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses including applicable taxes in connection with the audit of accounts of the Company for the financial year ending on March 31, 2017.”

SPECIAL BUSINESS:

4. **Payment of remuneration to Non-Executive Directors:**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) and the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the Articles of Association of the Company, approval of the Members be and is hereby accorded to the payment of remuneration not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Section 197 and 198 of the Companies Act, to all the Non-Executive Directors of the Company in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board and such payments shall be made in respect of the profits of the Company for each financial year, for a period of five financial years commencing from April 1, 2016;

RESOLVED FURTHER THAT if the Company has no profits or its profits are inadequate in any financial year, the Company shall pay the remuneration to the Non-Executive Directors at such amount as may be determined in accordance with the provisions of Schedule V of the Companies Act and the Nomination and Remuneration policy of the Company and in the event, the Company is unable to comply with such provisions, with the previous approval of the Central Government in this regard;

RESOLVED FURTHER THAT the above remuneration shall be in addition to the fee payable to the Director(s) for attending the meetings of the Board or Committees or general meetings, including travelling and other expenses, or for any other purpose whatsoever as may be decided by the Board and reimbursement of such expenses;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts, deeds, matters and things as it may in its sole and absolute discretion deem necessary or expedient in this regard.”

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

Avinash Kinshikar
Company Secretary & Legal Head

Place: Mumbai.
Date: May 28, 2016

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.
Website: www.speciality.co.in

Notes:

1. An explanatory statement pursuant to section 102(1) of the Companies Act, 2013 (the “Companies Act”) and the rules made thereunder, relating to the special business to be transacted at the 17th AGM, as set out in the notice to the 17th 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 / HERSELF 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 carrying voting rights. A member holding more than 10% of the total share capital of the



Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall not act as a proxy for another person or shareholder. If a proxy is appointed for more than fifty members, he shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.

3. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED WITH THE COMPANY EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING IN RELATION TO WHICH THEY ARE DEPOSITED. A PROXY FORM, FOR 17th 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 17th 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 entitled to vote on any Resolution would be entitled to inspect the proxies lodged between 9.00 a.m and 6.00 p.m. during such period, provided that notice in writing of the intention to inspect the proxies lodged is given to the Company at least three days before the commencement of the Meeting.
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, up to the date of the meeting. Copies of the relevant documents referred to above are also open for inspection in physical or electronic form by the Members at the Corporate Office of the Company at Morya Landmark I, 4th Floor, B/25, Veera Industrial Estate, Off New Link Road, Andheri West, Mumbai- 400053 on all working days, except Saturdays, during business hours, up to the date of the meeting.
8. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, August 18, 2016 to Wednesday, August 24, 2016 (both days inclusive).
9. 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”).
10. 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.
11. Unclaimed dividend for the financial years from 2012-13 to 2014-15 are held in separate bank accounts and members who have not received the dividend/encashed the warrants are advised to correspond with Mr. Avinash Kinhikar, Company Secretary & Legal Head, 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.
12. Copies of the Annual Report for the financial year 2015-16 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 2015-16 are being sent by the permitted modes of service of documents.
13. 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.
14. Members may also note that the Notice and the Annual Report for the financial year 2015-16 will also be available on the Company’s website www.speciality.co.in. The physical copies of the aforesaid documents will also be available at the 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.
15. **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 as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM) through e-voting services provided by Central Depository Services (India) Limited (CDSL) on all resolutions specified in this Notice.
 - (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 by remote e-voting or by ballot shall be able to exercise their right at the meeting.
 - (c) The Remote e-voting commences on Sunday, August 21, 2016 (10:00 a.m. Indian Standard Time “IST”) and ends on Tuesday, August 23, 2016 (5.00 p.m. IST). E-voting shall not be allowed after the aforesaid date and time. During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, being Wednesday, August 17, 2016 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL thereafter.
 - (d) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. 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 Companies (Management and Administration) Rules, 2014, as amended, with respect to voting through electronic means, the Company is also offering the facility for voting by way of ballot at the 17th 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 and by ballot, may vote at the 17th 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 17th 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 17, 2016.
- (f) The Board of Directors (the “**Board**”) 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, Mr. Tarun Chatterjee, Practising Company Secretary, not later than Tuesday, August 23, 2016 (5.00 p.m., IST).
- (h) Ballot Form received after Tuesday, August 23, 2016, at 5.00 p.m. IST will be treated as invalid.
- (i) Members have the option to request for duplicate physical copy of the Ballot Form by sending an e-mail to investor@speciality.co.in by mentioning their Folio / DP ID and Client ID. However, the duly completed Ballot Form should reach Scrutinizer appointed by the Board, Mr. Tarun Chatterjee, Practising Company Secretary, not later than Tuesday, August 23, 2016 (5.00 p.m. IST).
- (j) 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 under help section or write an email to helpdesk.evoting@cdslindia.com
- (k) The Scrutinizer shall 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 in his absence to any other Director authorised by the Board.
- (l) The Chairman or in his absence any other Director authorised by the Board shall forthwith on receipt of the Consolidated Scrutinizer’s Report, declare the results of the voting. The Result declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website www.speciality.co.in and on the website of CDSL immediately after their declaration, and communicated to the BSE Limited and the National Stock Exchange of India Limited.
- (m) The results of voting will be declared and published, alongwith consolidated Scrutinizer’s Report, on the website of the Company www.speciality.co.in and on CDSL website www.cdslindia.com and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the 17th AGM.

The instructions for shareholders voting electronically are as under:

- The remote e-voting period commences on Sunday, August 21, 2016 at 10:00 a.m. (IST) and ends on Tuesday, August 23, 2016, 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 17, 2016, may cast their vote by electronic means in the manner and process set out herein. The remote e-voting module shall be disabled by CDSL thereafter.
- Shareholders who have cast their vote by remote e-voting prior to the meeting or by ballot form prior to the AGM may also attend the meeting, however, shall not be entitled to cast their vote again at the meeting.
- Members can opt for only one mode of voting i.e. either by Ballot Form or remote e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- 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 17, 2016, he/she may follow the same procedure as mentioned below.

A. In case of Members receiving e-mail:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders”
- (iii) Now enter your User ID as follows:
 - a. Members registered with CDSL enter your 16 digits beneficiary ID.
 - b. Members registered with NSDL enter your 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and click on “Login”
- (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:

| For Members holding shares in demat form and physical form | |
|---|---|
| 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"> 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. 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. |
| 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"> 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). |

(vii) After entering these details appropriately, click on "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 "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.

(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 out print of the voting done by you by clicking on "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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **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 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
- 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 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 (xviii) specified above to cast vote.

- Pursuant to Regulation 36(3) of the Listing Regulations, the details of Director seeking re-appointment at the 17th AGM have been annexed to this Notice.
- 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.
- A route map showing directions to reach the venue of the 17th AGM is given at the end of this Notice as per the requirement of the Secretarial Standard (SS-2) on "General Meetings".



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. 3 & 4 of the Notice dated May 28, 2016.

Item No. 3:- Ratification of appointment of Statutory Auditors and fixing their remuneration

2. This Explanatory Statement is provided as an additional information to the Members though not statutorily required as per Section 102 of the Companies Act.
3. M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (“AGM”) of the Company held on September 15, 2014, from the conclusion of the 15th AGM until the conclusion of the 20th AGM to be held in the year 2019.
4. As per the provisions of Section 139(1) of the Companies Act, their appointment for the above tenure is subject to ratification by Members at every AGM.
5. Accordingly, ratification of the Members is being sought for the appointment of the Statutory Auditors, as per the proposal contained in the Resolution set out at Item No. 3 of the Notice.
6. 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 at Item No. 3 of the Notice.
7. The Board recommends the resolution as set out at Item No. 3 for approval of the Members to be passed as an Ordinary Resolution.

Item No. 4:- Payment of remuneration to Non-Executive Directors

8. In view of Sections 149, 197 and other relevant provisions of the Companies Act, and taking into consideration the roles and responsibilities of the Non-Executive Directors, it is proposed that the Non-Executive Directors be paid for each of the five financial years commencing from April 1, 2016 and extending upto and including the financial year of the Company ending on March 31, 2021 remuneration not exceeding one per cent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act. This remuneration will be distributed amongst all the Non-Executive Directors of the Company in accordance with the directions given by the Board, subject to the provisions of the Companies Act. This remuneration shall be in addition to the fee payable to the Non-Executive Directors for attending the meetings of the Board or its Committees or general meetings or for any other purpose whatsoever as may be decided by the Board and reimbursement of such expenses.
9. Accordingly approval of the members is sought by way of a Special Resolution under the applicable provisions of the Companies Act for payment of remuneration to the Non-Executive Directors of the Company for a period of five financial years commencing from April 1, 2016 and extending upto and including the financial year of the Company ending on March 31, 2021.
10. Subject to the approval of the Central Government as prescribed under Section 197 and Schedule V of the Companies Act and in accordance with the Nomination and Remuneration Policy of the Company, in case of inadequacy of profits or no profits, the Company shall pay remuneration to the Non-Executive Directors of the Company at such amount as may be decided by the Board.
11. All the Non-Executive Directors and their relatives of the Company may be deemed to be concerned or interested in the Resolution set out at Item No. 4 of the Notice to the extent of the remuneration that may be received by them. None of the other directors or key managerial personnel or their relatives are in any way concerned or interested financially or otherwise in this resolution.
12. The Board recommends the resolution as set out at Item No. 4 for approval of the Members to be passed as a Special Resolution.

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

**Avinash Kinshikar
Company Secretary & Legal Head**

Place: Mumbai
Date: May 28, 2016

Registered Office: Uniworth House,
3A, Gurusaday Road, Kolkata 700 019.
CIN: L55101WB1999PLC090672.
E-mail: corporate@speciality.co.in
Phone: 033-2283 7964/65/66.
Fax: 033-22809282.
Website: www.speciality.co.in



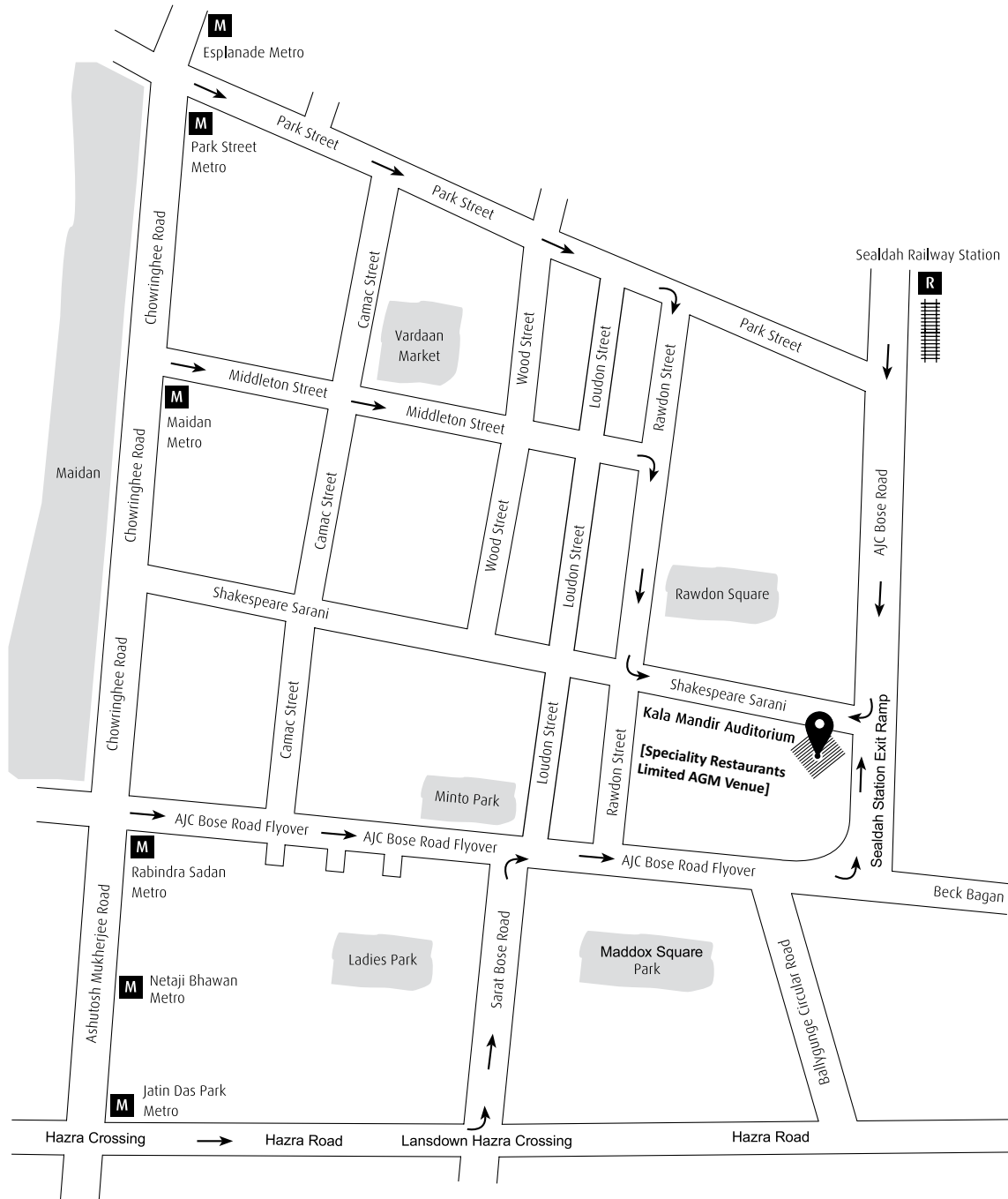
Details of the Director seeking re-appointment at the 17th AGM

(Pursuant to Regulation 36 (3) of the Listing Regulations and
Secretarial Standard (SS-2) on General Meetings issued by the Institute of Company Secretaries of India)

| | |
|---|---|
| Name of the Director | Mr. Indranil Chatterjee |
| Date of Birth and Age | April 22, 1960, 56 years |
| Date of First Appointment on the Board | August 18, 2005 |
| Qualifications | B.Com., Post Graduate Diploma in Business Management |
| Brief Resume | Mr. Indranil Chatterjee, is a whole-time Director of the Company. He has been a Director of the Company since August 18, 2005. He holds a Bachelor's Degree in Commerce from University of Calcutta and a Post Graduate Diploma in Business Management from Institute of Modern Management, Calcutta. |
| Current Designation | Whole-time Director designated as Director-Commercial Operations. |
| Nature of expertise in specific functional areas | Over 30 years of experience in the field of Finance and Marketing. |
| Details of other Directorships/Membership/Chairmanships of the Committees of other Boards | Director of the following Companies <ol style="list-style-type: none"> 1. Havik Leasing and Financial Services Private Limited 2. Span Promotions Private Limited 3. Speciality Hotels India Private Limited 4. Mad Orders Private Limited |
| (i) Names of listed entities in which the person holds the Directorship and (ii) the Membership of Committees of the Board | <ul style="list-style-type: none"> • Director of Speciality Restaurants Limited. • Member of Stakeholders Relationship Committee and Risk Management Committee of Speciality Restaurants Limited. |
| Disclosure of relationship with other Directors inter se, Manager, and other Key Managerial Personnel of the Company. | Not related to any Director, Manager, and other Key Managerial Personnel of the Company. |
| No. of shares held in the Company | 1,299 |
| Terms and conditions of appointment | Whole-time Director, liable to retire by rotation. |
| Details of remuneration sought to be paid | Not Applicable since the Director is liable to retire by rotation and Members have already approved the Special Resolution for re-appointment of Mr. Indranil Chatterjee as a Whole time Director of the Company at the 16th AGM held on August 26, 2015. |
| Last drawn remuneration | ₹ 21,00,000/- for the financial year 2015-16. |
| No of meetings of the Board attended during the financial year 2015-16 | 5 Meetings |



Route map of 17th AGM Venue of Speciality Restaurants Limited



DIRECTORS' REPORT

To,
The Members

Speciality Restaurants Limited

Your Directors are pleased to present the Seventeenth Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2016.

1. Financial Results

(₹ In Millions)

| Particulars | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Revenue from operations | 3,213.5 | 2,993.8 |
| Other Income | 83.0 | 77.1 |
| Total Income | 3,296.5 | 3,070.9 |
| Earnings before Interest, Depreciation, Amortization and Tax | 254.5 | 368.3 |
| Less: | | |
| Finance Costs | 0.5 | 0.8 |
| Depreciation /Amortization | 283.3 | 252.3 |
| (Loss) / Net Profit for the year before Taxes | (29.3) | 115.2 |
| Less: Taxes Expenses / (credit) | | |
| Current Tax | 12.3 | 50.2 |
| Deferred Tax | (44.2) | (29.5) |
| Profit for the year | 2.6 | 94.5 |
| Add: Balance brought forward from previous year | 978.5 | 941.5 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 (net of deferred tax of ₹ Nil (Previous Year ₹ 0.5 million) | - | 0.9 |
| Available for Appropriations | 981.1 | 1,035.1 |
| Less: Appropriations:- | | |
| Proposed Dividend on Equity Shares – Nil (Previous Year ₹ 1 per share of ₹ 10 each) | - | 47.0 |
| Corporate Dividend Tax | - | 9.6 |
| Balance of Profit carried forward to Balance Sheet | 981.1 | 978.5 |

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

GDP growth in India during the year 2015-16 was at 7.6% and expected to grow at 7.9% during 2016-17. Inflation has decreased significantly to 6% in March 2016 and expected to remain modestly around 5% during 2016-17.

The Indian Food and Beverage (F&B) Service Industry is one of the most vibrant industry that continues to expand rapidly with changing demographics, increase in disposable incomes, urbanization and growth of organized retail. The Indian F&B service market is expected to reach ₹ 3,80,000 crore by 2017. Fine Dine market is estimated to be ₹ 13,000 crore by 2018 growing at a CAGR of 13% per annum.

During the year, your Company opened 14 restaurants out of which 13 are Company Owned Company Operated (COCO) while 1 is Franchise Owned Company Operated (FOCO). At the end of Financial Year 2015-16, your Company has 105 Restaurants and 18 Confectionaries.

Total Income of your Company as on March 31, 2016 was at ₹ 3,296.5 million as against ₹ 3,070.9 million in the previous year recording a growth of 7.34 %.

The profit before Depreciation, Interest and Tax (PBDIT) amounted to ₹ 254.5 million (7.72 % of the revenue) as against ₹ 368.3 million (12% of the revenue) in the previous year.

The Net Profit after Tax was ₹ 2.6 million as against ₹ 94.5 million in the previous year.

The Company between Financial Years 2011-15 grew between 10-15 % per annum as against less than 10% during Financial Year 2015-16. During the year, the Company continued to face a challenging environment attributed to consumers cutting down on discretionary spends, same store sales growth being in negative territory coupled with lower footfalls during weekdays. The new restaurants opened during the Financial Year 2015-16 had extended breakeven period. Moreover, the Company did not increase its menu prices in order to neutralize the impact of rising cost so that the footfalls in the restaurants are maintained.



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

Your Company continues to pursue development of new restaurants / conversion of existing restaurants under various brands to achieve sustainable and profitable growth.

3. Dividend on Equity Shares

In view of the inadequacy of profits your Directors do not recommend any dividend for the financial year ended March 31, 2016.

4. 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 options granted under Employee Stock Option Scheme (ESOS), as also the disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") and SEBI (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") are given in 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 & Regulations and the resolutions passed by the Members of the Company in this regard.

5. Audited Financial Statement

As per Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Audited Financial Statements for the financial year ended March 31, 2016 i.e. Balance Sheet, Statement of Profit and Loss and a Cash Flow Statement is appended.

6. Subsidiary

During the year under review the Company had entered into a Share Sale Agreement with Love Sugar and Dough Private Limited (LSDPL), and the Promoters of LSDPL for sale of 51% stake in LSDPL back to the promoters of LSDPL and accordingly the Company had sold the entire 51% stake in LSDPL by sale of 5,100 equity shares of LSDPL for a consideration of ₹ 5.7 million and thus LSDPL ceased to be a subsidiary of the Company with effect from August 3, 2015.

7. Joint Venture

Your company has the pleasure to inform members that the Mainland China restaurant at Doha, Qatar started commercial operations with effect from May 10, 2016 with the Al Mohanndi Group, Qatar, the Joint venture partner under Mainland China Restaurant LLC incorporated in Doha. Your company has 49% stake in the Limited Liability Company.

8. Awards and Recognition

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

| Awards |
|--|
| Mainland China, Kolkata, won the 'Zomato Awards' in the category of Best Chinese. |
| Mainland China, Pune, won the 'Times Food Awards' in the category of Best Chinese. |
| Mainland China, Goa, won the 'Times Food Awards' in the category of Best Chinese. |
| Mainland China, Hyderabad, won the 'Times Food Awards' in the category of Best Chinese. |
| Mainland China, Kolkata, won the 'Telegraph Food Guide Awards' in the category of Best Oriental Restaurant. |
| Mainland China, Kolkata, won 'Zomato Awards' in the category of Best Voted Restaurant. |
| Mainland China, Howrah, won the 'Telegraph Food Guide Awards' in the category of Best Chinese. |
| Asia Kitchen by Mainland China, Kolkata, won the 'Telegraph Food Guide Awards' in the category of Best New Unit in town. |
| Oh Calcutta, Kolkata, won the 'Telegraph Foods Guide Awards' in the category Award for Excellence. |
| Oh Calcutta, Kolkata, won 'Times Food Awards' in the category of Best Bengali. |
| Sigree Global Grill, Pune, won the 'Times Food Awards' in the category of Best Buffet. |
| Café Mezzuna, Kolkata, won the 'Telegraph Food Guide Awards' in the category Café with great music. |
| Café Mezzuna, Kolkata, won 'Times of India Awards' in the category of Best Italian Restaurant in Casual Dining Section. |
| Hoppipola, won the 'Telegraph Food Guide Awards' in the category of Best Chill Out Place & Best Looking Restaurant. |

9. 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, 2016.



II. Independent Directors

In terms of the definition of 'Independent Directors' as prescribed under Regulation 16 (1) (b) of the Listing Regulations 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 meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) of the Listing Regulations. The following Non-Executive Directors are Independent Directors of the Company:

1. Mr. Susim Mukul Datta
2. Mr. Jyotin Mehta
3. Mr. Dushyant Mehta
4. Mr. Tara Sankar Bhattacharya (Resigned with effect from May 9, 2016)

III. 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 Regulation 17(1) of the Listing Regulations have been complied with by the Company.

IV. 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.

V. Appointment/Resignation of Director and Key Managerial Personnel

Mr. Tara Sankar Bhattacharya (DIN 00157305) Director of your Company resigned from the Board with effect from May 9, 2016. The Board places on record its appreciation for the valuable services rendered and contribution made by Mr. Tara Sankar Bhattacharya during his tenure as Director of the Company.

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. Satyamorthy, Company Secretary are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013. None of the Key Managerial Personnel have resigned during the year under review.

VI. Re-appointment of Director

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Indranil Chatterjee, (DIN 00200577) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Further details about the Director seeking re-appointment in the ensuing Annual General Meeting are annexed to the Notice which is being sent to the Members along with the Annual Report.

VII. 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 was in compliance with the requirements under the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement and Regulation 25 (4) of the Listing Regulations.

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and 25 of the Listing Regulations, 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 23, 2016.

VIII. Policy on Directors' remuneration and other details

The Company's policy relating to remuneration of Directors, Key Managerial Personnel and other Employees as stipulated in Section 178 (3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of the Directors' report.

IX. Number of Board Meetings

The Board of Directors met Six (6) times during the financial year 2015-16. 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 2015-16.



Besides the above, several Committee Meetings of the Board were held during the financial year 2015-16, the detailed information of which is included in the report on Corporate Governance.

X. Share Capital

The Paid-up Equity Share Capital of the Company as on March 31, 2016 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.

XI. 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 were presented to the Audit Committee for prior approval and to the Board referred to it by Audit Committee. Omnibus approval was obtained from the Audit Committee of the Company for the related party transactions which are foreseen and repetitive in nature and were reviewed by the Committee on quarterly basis.

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

The details of the transactions with Related Parties are provided on Page No. 95 under Financial Statements.

10. Report on Corporate Governance

The report on Corporate Governance as stipulated under Regulation 34 (3) read with para C of Schedule V to the Listing Regulations 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 Listing Regulations is attached to this report.

11. Management Discussion and Analysis Report

As stipulated under Regulation 34(2) of the Listing Regulations, Management Discussion and Analysis Report for the financial year under review is provided in a separate section forming part of the Annual Report.

12. 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.

13. 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 website of the Company at http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf

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.

14. 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 website of the Company at http://www.speciality.co.in/pdf/policies/VIGIL_MECHANISM_POLICY.pdf

15. Risk Management

Your Company has constituted a Risk Management Committee on November 12, 2014 for complying with the requirements of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement to implement the risk management plan and policy of the Company. This is also in conformity with Regulation 21 of the Listing Regulations.

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.

16. Particulars of loans, guarantees or investments

Disclosure on particulars relating to loans, guarantees or investments made during the financial year 2015-16 under Section 186 of the Companies Act, 2013 is provided on Page No. 88 under Financial Statements.

17. Consolidated Financial Statement

In terms of Rule 4A of the Companies (Accounts) Second Amendment Rules, 2015 to the Companies Act, 2013 and the guidance contained in the Accounting Standard 21, the consolidated financial statement was not required to be prepared since there was no subsidiary of the Company as on March 31, 2016.

18. Internal Financial Controls System and their adequacy

Your Company has laid down adequate internal financial controls system, 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 along with the orderly and efficient conduct of business.

The Statutory Auditors has expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting in the Annexure A to the Independent Auditors Report.

19. Auditors and Audit Reports

I. Statutory Auditors and their report

M/s. Deloitte Haskins and Sells LLP, Statutory Auditors of the Company were appointed at the Fifteenth Annual General Meeting of the Company 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 Statutory 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 along with the Annual Report.

M/s. Deloitte Haskins and Sells LLP, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the limits prescribed under the Act, and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

II. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice, to conduct the Secretarial Audit of your Company for the financial year 2015-16. The Secretarial Audit Report for the financial year 2015-16 is annexed as Annexure C which forms part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

20. 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.

21. 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) 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 | 2015-16 | 2014-15 |
|--|---------|---------|
| Foreign Exchange Earned in terms of actual inflows | 3.6 | 4.1 |
| Foreign Exchange Outgo in terms of actual outflows | 4.7 | 8.3 |

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.

V. Additional information and details as specified in Rule 8(5) of the Companies (Accounts) Rules, 2014 are included in the Directors' Report.

22. General Disclosures

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 Options Scheme referred to in this Report.
- iv. Neither the Managing Director nor the Whole-time Directors of the Company received 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.

23. 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, 2016 is annexed as Annexure F which forms part of this report.

24. Directors' Responsibility Statement

The Directors confirm that:-

- i. in the preparation of the annual accounts for the year ended March 31, 2016, 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 2015-16 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.

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

Pursuant to the approval of the Members of the Company obtained through Postal Ballot on November 27, 2015 the objects of the issue as disclosed in the Prospectus dated May 22, 2012 issued by the Company for its Initial Public Offer were varied. In terms of variation, the Company had proposed to utilise the balance unutilised amount of ₹ 578.5 million as on March 31, 2015 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., in the financial years 2015-18.

The Company had utilized ₹ 145.7 million during the financial year 2015-16 out of the balance unutilized amount of ₹ 578.5 million towards the new objects relating to the business of the Company approved by the Members on November 27, 2015.

The Company has a good set of brands in different cuisines and segments and has also been investing in refreshing of brands to service the aspirations of all guests across geographies. The Company is well poised to effectively capture the growth opportunities in food and beverage domain.

The details of utilization of the IPO Proceeds and the balance outstanding as on March 31, 2016 are provided in the Corporate Governance Report.

26. 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**

Date: May 28, 2016
Place: Mumbai.

**Susim Mukul Datta
Chairman**



ANNEXURE A forming part of the Directors' Report

Disclosure under Section 62 of Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") and Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") for the year ended March 31, 2016.

| Sr. No. | Description | Speciality Restaurants Limited-Employee Stock Option Scheme 2012 | | | | | | | | | | | | | | | | |
|--|---|---|------------------------------|-----|--|---|--|-------|-----------------|-------|--------------------|--|--|----------------------------|-------------|----------------|-------------|--------------------|
| (i) (a) | Date of Shareholders' approval | September 28, 2012 | | | | | | | | | | | | | | | | |
| (b) | Total number of options approved under ESOS | 14,08,730 | | | | | | | | | | | | | | | | |
| (c) | No. of Options granted | 5,77,200 | | | | | | | | | | | | | | | | |
| (d) | No. of Options vested | 2,57,650 | | | | | | | | | | | | | | | | |
| (e) | Total Number of Options exercised | Nil since no option was exercised | | | | | | | | | | | | | | | | |
| (f) | Total number of Ordinary Shares of ₹ 10/- each arising as a result of exercise of options | Nil | | | | | | | | | | | | | | | | |
| (g) | Total Number of Options lapsed | 61,900 | | | | | | | | | | | | | | | | |
| (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 2015-16 | | | | | | | | | | | | | | | | |
| (j) | Total number of Options in force | 5,15,300 | | | | | | | | | | | | | | | | |
| (k) | Vesting requirements | Options granted under SRL-ESOP 2012 would vest not less than one year and not more than six years from the date of grant of such vesting options. | | | | | | | | | | | | | | | | |
| (l) | Exercise Price | ₹ 126.20 | | | | | | | | | | | | | | | | |
| (m) | 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. | | | | | | | | | | | | | | | | |
| (n) | Maximum term of Options granted | Three years from the vesting date. | | | | | | | | | | | | | | | | |
| (o) | Source of shares | Allotment by the Company upon exercise of option. | | | | | | | | | | | | | | | | |
| (ii) (a) | 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 2015-16 was ₹ Nil | | | | | | | | | | | | | | | | |
| (b) | Difference between the employee compensation cost so computed at (ii) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options | ₹ 6.3 million | | | | | | | | | | | | | | | | |
| (c) | 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 style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Profit After tax as reported</td> <td style="text-align: right;">2.6</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Less: Fair Value Compensation Cost (Black Scholes model)</td> <td style="text-align: right;">(6.3)</td> </tr> <tr> <td>Adjusted Profit</td> <td style="text-align: right;">(3.7)</td> </tr> <tr> <td>Earnings per Share</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Basic (₹) Diluted (₹)</td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">0.06 0.06</td> </tr> <tr> <td>As adjusted</td> <td style="text-align: right;">(0.08) (0.08)</td> </tr> </table> | Profit After tax as reported | 2.6 | Add: Intrinsic Value Compensation Cost | - | Less: Fair Value Compensation Cost (Black Scholes model) | (6.3) | Adjusted Profit | (3.7) | Earnings per Share | | | Basic (₹) Diluted (₹) | As reported | 0.06 0.06 | As adjusted | (0.08) (0.08) |
| Profit After tax as reported | 2.6 | | | | | | | | | | | | | | | | | |
| Add: Intrinsic Value Compensation Cost | - | | | | | | | | | | | | | | | | | |
| Less: Fair Value Compensation Cost (Black Scholes model) | (6.3) | | | | | | | | | | | | | | | | | |
| Adjusted Profit | (3.7) | | | | | | | | | | | | | | | | | |
| Earnings per Share | | | | | | | | | | | | | | | | | | |
| | Basic (₹) Diluted (₹) | | | | | | | | | | | | | | | | | |
| As reported | 0.06 0.06 | | | | | | | | | | | | | | | | | |
| As adjusted | (0.08) (0.08) | | | | | | | | | | | | | | | | | |



| Sr. No. | Description | Speciality Restaurants Limited-Employee Stock Option Scheme 2012 | |
|---------|---|--|--------|
| (iii) | Option movement during the year | | |
| | Particulars | Details | |
| | Number of options outstanding at the beginning of the period | 1,28,825 | |
| | Number of options granted (vested) during the year | 1,28,825 | |
| | Number of options forfeited/ lapsed during the year | Nil | |
| | Number of options exercised during the year | Nil | |
| | Number of shares arising as a result of exercise of options | Nil | |
| | Money realized by exercise of options (INR), if scheme is implemented directly by the Company | Nil | |
| | Loan repaid by the Trust during the year from exercise price received | Not applicable | |
| | Number of options outstanding at the end of the year | 2,57,650 | |
| | Number of options exercisable at the end of the year | 2,57,650 | |
| (iv) | Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock. | Weighted average exercise price per Option: ₹ 126.20 | |
| | | Weighted average fair value per Option: ₹ 48.87 | |
| (v) (a) | Details of Options granted to Senior Management Personnel | As provided below | |
| | Sr. No. | Name | |
| | | No. of Options Granted during the financial year 2013-14 | |
| | 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 | |
| | *Key Managerial Personnel of the Company | | |
| (b) | 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 | |
| (c) | 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 | |

| Sr. No. | Description | Speciality Restaurants Limited-Employee Stock Option Scheme 2012 | | | | | | |
|--|--|--|-----------------------------|--|--------------------|---------------------------|------------------------------|--|
| (vi) (a) | 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 border="1"> <tr> <td>(i) Risk-free interest rate</td> <td rowspan="5">The Company has not granted any options during the financial year 2015-16.</td> </tr> <tr> <td>(ii) Expected life</td> </tr> <tr> <td>(iii) Expected volatility</td> </tr> <tr> <td>(iv) Expected Dividend yield</td> </tr> <tr> <td>(v) The price of the underlying Shares in market at the time of Option grant</td> </tr> </table> | (i) Risk-free interest rate | The Company has not granted any options during the financial year 2015-16. | (ii) Expected life | (iii) Expected volatility | (iv) Expected Dividend yield | (v) The price of the underlying Shares in market at the time of Option grant |
| (i) Risk-free interest rate | The Company has not granted any options during the financial year 2015-16. | | | | | | | |
| (ii) Expected life | | | | | | | | |
| (iii) Expected volatility | | | | | | | | |
| (iv) Expected Dividend yield | | | | | | | | |
| (v) The price of the underlying Shares in market at the time of Option grant | | | | | | | | |
| (b) | the method used and the assumptions made to incorporate the effects of expected early exercise; | Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the Options. Historical data is not considered in expected life calculations. | | | | | | |
| (c) | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and | Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India Limited (" NSE "), over a period prior to the date of grant, corresponding with the expected life of the options has been considered. | | | | | | |
| (d) | whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. | No other feature has been considered for fair valuation of options except as mentioned in point vi (a) above. | | | | | | |
| (vii) | 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. | | | | | | |

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

Date: May 28, 2016
Place: Mumbai.

**Susim Mukul Datta
Chairman**



ANNEXURE B forming part of the 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 the Companies (Corporate Social Responsibility) Rules, 2014. A brief summary of initiatives taken during the financial year 2015-16 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> <ul style="list-style-type: none"> (i) eradicating hunger, poverty and malnutrition, promoting health care and sanitation and improving the quality of life and economic well being of individuals; (ii) training, providing and supporting educational needs of the underprivileged segments of society; and (iii) such other activities as may be permissible under Schedule VII of the Companies Act, 2013 and the relevant rules. <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 weblink: http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf</p> |
| 2 | Composition of the CSR Committee | <p>The composition of the CSR Committee is as under:-</p> <p>Mr. Jyotin Mehta-Chairman</p> <p>Mrs. Suchhanda Chatterjee-Member</p> <p>Mr. Dushyant Mehta-Member</p> |
| 3 | Average Net Profits of the Company for the past three financial years. | ₹ 222.3 million |
| 4 | Prescribed CSR expenditure (Two Percent of the amount as in item 3 above). | ₹ 4.5 million |
| 5 | <p>Details of CSR spent during the financial year 2015-16</p> <ul style="list-style-type: none"> (i) Total amount to be spent for the financial year. (ii) Amount un-spent if any. (iii) Manner in which the amount spent during the financial year 2015-16. | <p>₹ 4.5 million</p> <p>₹ 3.9 million</p> <p>The Company has contributed an amount of ₹ 0.55 million to Sri Sai Trust towards the CSR activities.</p> |
| 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. | <p>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 modalities of forming the trust for undertaking the CSR activities in accordance with the provisions of the Companies Act, 2013. A detailed study was carried out for undertaking the CSR activity of providing the nutritional food and health support for school children in tribal areas of Karjat region under the project viz., "Nutritional Support and Health Clinic Program" which took longer time than expected.</p> <p>The plans have now been firmed up after detailed study and the Company plans to carry out the following activities in collaboration with Sri Sai Trust for providing nutritional food and health support to children in Tribal areas on a long term basis :-</p> <ul style="list-style-type: none"> (i) Providing nutrition-rich food to 200 children attending formal school for six days in a week, 225 days in a year. This nutritional support will be provided along with regular mid-day meals provided by Zilla Parishad. (ii) Organising health check-ups camps for children in the clinics by lady MBBS doctors, etc. |
| 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. |

Mumbai, May 28, 2016

Anjan Chatterjee
Managing Director

Jyotin Mehta
Chairman-CSR Committee



ANNEXURE C forming part of the Directors' Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

(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 31st March, 2016 complied with the statutory provisions of the applicable acts 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 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) 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, 2015;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;
 - 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 further report that the Company has a compliance system in place and we have examined the relevant documents and records with respect to other Acts as applicable which are as under:

- vi. Other applicable acts,
 - a. Food Safety and Standards Act, 2006.
 - b. Legal Metrology Act, 2009.
 - c. The Employees State Insurance Act, 1948.
 - d. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
 - e. The Maternity Benefit Act, 1961.
 - f. The Minimum Wages Act, 1948.
 - g. The Payment of Bonus Act, 1965.
 - h. The Payment of Gratuity Act, 1972.
 - i. The Payment of Wages Act, 1936.
 - j. The Child Labour (Prohibition and Regulation) Act, 1986.
 - k. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 - l. The Air (Prevention and Control of Pollution) Act, 1981.



- m. The Environment (Protection Act), 1986.
- n. The Water (Prevention and Control of Pollution) Act, 1974.
- o. The Trade Marks Act, 1991.
- p. The Bombay Shops & Establishment Act, 1948.
- q. The Central Sales Tax Act, 1956 & other applicable state Sales Tax Acts
- r. The Professional Tax Act, 1975.
- s. The Income Tax Act, 1961.
- t. The Finance Act, 1994 (Service Tax).

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, 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.

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 meeting of the Board of Directors or Committees 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: 28th May, 2016

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: 28th May, 2016



ANNEXURE D forming part of the Directors' Report

Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the 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 2015-16 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 | 49.70 | Nil |
| 2 | Mrs. Suchhanda Chatterjee | Whole-time Director | 17.40 | Nil |
| 3 | Mr. Indranil Chatterjee | Whole-time Director | 17.40 | Nil |
| 4 | Mr. Rajesh Kumar Mohta | Executive Director- Finance and CFO | Not applicable | 20.19 |
| 5 | Mr. V.S. Satyamoorthy | Company Secretary | Not applicable | 2.37 |

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 2015-16 was Nil.
3. The Company has 4,310 permanent Employees on the rolls of the Company as on March 31, 2016.
4. Relationship between average increase in remuneration and company performance:
- (i) Average increase in Remuneration overall: 8.04%
- (ii) Company Performance in terms of Total Revenue Compared to Previous Year: 7.35%
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: 0.47%
6. Other Details

| Sr. No. | Particulars | Remarks |
|---------|--|---|
| 1 | Variation in the market capitalization | Decrease by 51.65% |
| 2 | Price earnings ratio as at the closing of the current financial year i.e. March 31, 2016 | 1416.67 |
| 3 | Price earnings ratio as at the closing of the previous financial year i.e. March 31, 2015 | 87.46 |
| 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 | Decrease by 43.33% |
| 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 2015-16, the overall salary of the Employees increased to around 8.88% |
| 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 | Not applicable |



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 | 0.18 |
| 2 | Mrs. Suchhanda Chatterjee | 0.06 |
| 3 | Mr. Indranil Chatterjee | 0.06 |
| 4 | Mr. Rajesh Kumar Mohta | 0.11 |
| 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.

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

Date: May 28, 2016

Place: Mumbai.

**Susim Mukul Datta
Chairman**



ANNEXURE E forming part of the Directors' Report

Information under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2016.

| | | |
|----|---|---|
| 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 | 57 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 along with 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 together with his relatives holds 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. |

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

Date: May 28, 2016
Place: Mumbai.

**Susim Mukul Datta
Chairman**



ANNEXURE F forming part of the Directors' Report

FORM NO. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2016

[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 st 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: corporate@speciality.co.in Website: www.speciality.co.in |
| 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: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in |

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) |

*Ceased to be subsidiary of the Company with effect from August 3, 2015.

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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2,40,40,000 | 0 | 2,40,00,000 | 51.19 | 2,40,40,000 | 0 | 2,40,40,000 | 51.19 | 0.00 |
| 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 |
| Sub-total (A) (1):- | 2,40,40,057 | 0 | 2,40,40,057 | 51.19 | 2,40,40,057 | 0 | 2,40,40,057 | 51.19 | 0.00 |



| 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 | |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 2,40,40,057 | 0 | 2,40,40,057 | 51.19 | 2,40,40,057 | 0 | 2,40,40,057 | 51.19 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 51,39,109 | 0 | 51,39,109 | 10.94 | 37,47,094 | 0 | 37,47,094 | 7.98 | -2.96 |
| b) Banks / FI | 14,821 | 0 | 14,821 | 0.03 | 1,280 | 0 | 1,280 | 0 | -0.03 |
| c) Central/ State Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| d) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| e) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| f) FIs | 83,18,110 | 0 | 83,18,110 | 17.71 | 68,83,466 | 0 | 68,83,466 | 14.66 | -3.05 |
| g) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0 |
| h) Others (specify) | | | | | | | | | |
| i) Trust | 1,448 | 0 | 1,448 | 0.00 | 1,664 | 0 | 1,664 | 0 | 0.00 |
| j) Foreign Portfolio Investors (Corporate) | 80,644 | 0 | 80,644 | 0.17 | 12,35,330 | 0 | 12,35,330 | 2.63 | 2.46 |
| Sub-total (B)(1):- | 1,35,54,132 | 0 | 1,35,54,132 | 28.86 | 1,18,68,834 | 0 | 1,18,68,834 | 25.27 | -3.59 |
| 2. Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 4,60,074 | 0 | 4,60,074 | 0.98 | 14,10,045 | 0 | 14,10,045 | 3.00 | 2.02 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholder holding nominal share capital upto Rs. 1 lakh | 22,27,512 | 110 | 22,27,622 | 4.74 | 28,81,398 | 199 | 28,81,597 | 6.14 | 1.40 |
| ii) Individual shareholder holding nominal share capital in excess of Rs 1 lakh | 13,35,269 | 0 | 13,35,269 | 2.84 | 12,87,297 | 0 | 12,87,297 | 2.74 | -0.10 |
| c) Others | | | | | | | | | |
| i) Clearing Member | 20,969 | 0 | 20,969 | 0.04 | 60,031 | 0 | 60,031 | 0.13 | 0.09 |
| ii) Non Resident Indian (Repat) | 1,50,045 | 0 | 1,50,045 | 0.32 | 1,74,119 | 0 | 1,74,119 | 0.37 | 0.05 |
| iii) Non Resident Indian (Non Repat) | 1,67,690 | 0 | 1,67,690 | 0.36 | 1,17,369 | 0 | 1,17,369 | 0.25 | -0.11 |
| iv) Foreign Companies | 49,97,640 | 0 | 49,97,640 | 10.64 | 49,92,140 | 0 | 49,92,140 | 10.63 | 0.01 |
| v) Director/Relative of director | 4,159 | 0 | 4,159 | 0.01 | 4,159 | 0 | 4,159 | 0.01 | 0.00 |
| vi) Hindu Undivided Family | 0 | 0 | 0 | 0 | 1,22,009 | 0 | 1,22,009 | 0.26 | 0.26 |
| Sub-total (B)(2):- | 93,63,358 | 110 | 93,63,468 | 19.94 | 1,10,48,567 | 199 | 1,10,48,766 | 23.53 | 3.59 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 2,29,17,490 | 110 | 2,29,17,600 | 48.81 | 2,29,17,401 | 199 | 2,29,17,600 | 48.81 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Grand Total (A+B+C) | 4,69,57,547 | 110 | 4,69,57,657 | 100.00 | 4,69,57,458 | 199 | 4,69,57,657 | 100 | 0 |

(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 | 1,20,70,000 | 25.70 | 0 | 1,20,70,000 | 25.70 | 0 | 0 |
| 2 | Mrs. Suchhanda Chatterjee | 1,19,70,000 | 25.49 | 0 | 1,19,70,000 | 25.49 | 0 | 0 |
| | Total | 2,40,40,000 | 51.19 | 0 | 2,40,40,000 | 51.19 | 0 | 0 |

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

| Sr. No. | Shareholding at the beginning of the year | | | | Cumulative Shareholding during the year | |
|---------|---|--------------------------------|---------------|----------------------------------|---|----------------------------------|
| | Change in Shareholding (Sale of Shares) | Date of change in Shareholding | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | | | | | | |

There were no changes in the Shareholding pattern of the Promoters of the Company during the financial year ended March 31, 2016.



(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's)

| Sr. No. | Name of the Shareholder | Date of Transaction | Nature of Transaction | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---------------------|-----------------------|---|-------|---|-------|
| | | | | | | | |
| 1 | SAIF III Mauritius Company Limited* | 01-04-2015 | Opening Balance | 49,97,640 | 10.64 | 49,97,640 | 10.64 |
| | | 24-04-2015 | Sale | 5,500 | 0.01 | 49,92,140 | 10.63 |
| | | 31-03-2016 | Closing Balance | - | - | 49,92,140 | 10.63 |
| 2 | SAIF Advisors Mauritius Limited A/C SAIF India IV FII Holdings Limited* | 01-04-2015 | Opening Balance | 38,77,964 | 8.26 | 38,77,964 | 8.26 |
| | | 31-03-2016 | Closing Balance | - | - | 38,77,964 | 8.26 |
| 3 | Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund* | 01-04-2015 | Opening Balance | 24,42,163 | 5.20 | 24,42,163 | 5.20 |
| | | 19-06-2015 | Purchase | 85,500 | 0.18 | 25,27,663 | 5.38 |
| | | 31-03-2016 | Closing Balance | - | - | 25,27,663 | 5.38 |
| 4 | Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust* | 01-04-2015 | Opening Balance | 17,59,863 | 3.75 | 17,59,863 | 3.75 |
| | | 31-03-2016 | Closing Balance | - | - | 17,59,863 | 3.75 |
| 5 | L and T Mutual Fund Trustee Ltd - L and T Equity Fund* | 01-04-2015 | Opening Balance | 11,67,267 | 2.49 | 11,67,267 | 2.49 |
| | | 31-07-2015 | Purchase | 5,000 | 0.01 | 11,72,267 | 2.50 |
| | | 28-08-2015 | Purchase | 3,000 | 0.00 | 11,75,267 | 2.50 |
| | | 05-02-2016 | Sale | 3,14,336 | 0.66 | 8,60,931 | 1.83 |
| | | 31-03-2016 | Closing Balance | - | - | 8,60,931 | 1.83 |
| 6 | Paradice Global Small Mid Cap Fund* | 01-04-2015 | Opening Balance | 6,04,765 | 1.29 | 6,04,765 | 1.29 |
| | | 17-04-2015 | Purchase | 34,617 | 0.07 | 6,39,382 | 1.36 |
| | | 08-05-2015 | Purchase | 29,775 | 0.06 | 6,69,157 | 1.43 |
| | | 19-06-2015 | Purchase | 33,469 | 0.07 | 7,02,626 | 1.50 |
| | | 03-07-2015 | Purchase | 30,480 | 0.06 | 7,33,106 | 1.56 |
| | | 07-08-2015 | Purchase | 49,191 | 0.10 | 7,82,297 | 1.67 |
| | | 21-08-2015 | Purchase | 49,267 | 0.10 | 8,31,564 | 1.77 |
| | | 18-09-2015 | Purchase | 1,493 | 0.00 | 8,33,057 | 1.77 |
| | | 25-09-2015 | Purchase | 40,937 | 0.09 | 8,73,994 | 1.86 |
| | | 30-09-2015 | Purchase | 455 | 0.00 | 8,74,449 | 1.86 |
| | | 31-03-2016 | Closing Balance | - | - | 8,74,449 | 1.86 |
| 7 | Hostplus pooled superannuation trust paradise Investment Management Pty Limited # | 01-04-2015 | Opening Balance | 3,22,150 | 0.69 | 3,22,150 | 0.69 |
| | | 31-07-2015 | Purchase | 4,77,101 | 1.01 | 7,99,251 | 1.70 |
| | | 31-03-2016 | Closing Balance | - | - | 7,99,251 | 1.70 |
| 8 | Kedia Securities Private Limited # | 01-04-2015 | Opening Balance | - | - | - | - |
| | | 05-02-2016 | Purchase | 5,00,000 | 1.06 | 5,00,000 | 1.06 |
| | | 31-03-2016 | Closing Balance | - | - | 5,00,000 | 1.06 |
| 9 | Eastspring Investments-India Equity Fund* | 01-04-2015 | Opening Balance | 5,64,484 | 1.20 | 5,64,484 | 1.20 |
| | | 19-06-2015 | Sale | 94,415 | 0.20 | 4,70,069 | 1.00 |
| | | 31-07-2015 | Sale | 3,569 | 0.01 | 4,66,500 | 0.99 |
| | | 07-08-2015 | Sale | 44,047 | 0.09 | 4,22,453 | 0.90 |
| | | 18-09-2015 | Sale | 1,325 | 0.00 | 4,21,128 | 0.90 |
| | | 25-09-2015 | Sale | 28,477 | 0.06 | 3,92,651 | 0.84 |
| | | 30-10-2015 | Sale | 810 | 0.00 | 3,91,841 | 0.83 |
| | | 31-12-2015 | Sale | 12,542 | 0.02 | 3,79,299 | 0.81 |
| | | 01-01-2016 | Sale | 161 | 0.00 | 3,79,138 | 0.81 |
| | | 08-01-2016 | Sale | 7,948 | 0.01 | 3,71,190 | 0.79 |
| | | 31-03-2016 | Closing Balance | - | - | 3,71,190 | 0.79 |
| 10 | TFL Pension Fund@ | 01-04-2015 | Opening Balance | 5,72,105 | 1.22 | 5,72,105 | 1.22 |
| | | 31-07-2015 | Sale | 4,77,101 | 1.02 | 95,004 | 0.20 |
| | | 31-03-2016 | Closing Balance | - | - | 95,004 | 0.20 |



| Sr. No. | Name of the Shareholder | Date of Transaction | Nature of Transaction | No. of Shares held at the beginning of the year | | Cumulative Shareholding during the year | |
|------------|---|---------------------|-----------------------|---|------|---|------|
| | | | | | | | |
| 11 | Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund@ | 01-04-2015 | Opening Balance | 9,93,279 | 2.12 | 9,93,279 | 2.12 |
| | | 19-06-2015 | Sale | 50,000 | 0.11 | 9,43,279 | 2.01 |
| | | 26-06-2015 | Sale | 24,205 | 0.05 | 9,19,074 | 1.96 |
| | | 30-06-2015 | Sale | 18,142 | 0.04 | 9,00,932 | 1.92 |
| | | 03-07-2015 | Sale | 56,371 | 0.12 | 8,44,561 | 1.80 |
| | | 10-07-2015 | Sale | 31,433 | 0.07 | 8,13,128 | 1.73 |
| | | 17-07-2015 | Sale | 2,499 | 0.00 | 8,10,629 | 1.73 |
| | | 24-07-2015 | Sale | 690 | 0.00 | 8,09,939 | 1.73 |
| | | 07-08-2015 | Sale | 82,025 | 0.18 | 7,27,914 | 1.55 |
| | | 14-08-2015 | Sale | 23,682 | 0.05 | 7,04,232 | 1.50 |
| | | 04-09-2015 | Sale | 4,232 | 0.01 | 7,00,000 | 1.49 |
| | | 09-10-2015 | Sale | 2,287 | 0.00 | 6,97,713 | 1.49 |
| | | 16-10-2015 | Sale | 9,355 | 0.02 | 6,88,358 | 1.47 |
| | | 23-10-2015 | Sale | 52,348 | 0.12 | 6,36,010 | 1.35 |
| | | 30-10-2015 | Sale | 60,046 | 0.12 | 5,75,964 | 1.23 |
| | | 06-11-2015 | Sale | 1,18,845 | 0.25 | 4,57,119 | 0.97 |
| | | 13-11-2015 | Sale | 1,12,028 | 0.24 | 3,45,091 | 0.73 |
| | | 20-11-2015 | Sale | 26,916 | 0.05 | 3,18,175 | 0.68 |
| | | 27-11-2015 | Sale | 56,230 | 0.12 | 2,61,945 | 0.56 |
| | | 04-12-2015 | Sale | 51,754 | 0.11 | 2,10,191 | 0.45 |
| | | 31-12-2015 | Sale | 14,311 | 0.04 | 1,95,880 | 0.41 |
| 15-01-2016 | Sale | 11,307 | 0.02 | 1,84,573 | 0.39 | | |
| 22-01-2016 | Sale | 1,84,573 | 0.39 | 0 | 0.00 | | |
| 31-03-2016 | Closing Balance | - | - | 0 | 0.00 | | |
| 12 | Glix Securities Private Limited@ | 01-04-2015 | Opening Balance | 11,000 | 0.02 | 11,000 | 0.02 |
| | | 17-04-2015 | Sale | 1,000 | 0.00 | 10,000 | 0.02 |
| | | 12-06-2015 | Purchase | 1,000 | 0.00 | 11,000 | 0.02 |
| | | 31-03-2016 | Closing Balance | - | - | 11,000 | 0.02 |
| 13 | L & T Mutual Fund Trustee Limited – L & T Emerging Business Fund* | 01-04-2015 | Opening Balance | 3,58,500 | 0.76 | 3,58,500 | 0.76 |
| | | 31-03-2016 | Closing Balance | - | - | 3,58,500 | 0.76 |

*Common top 10 shareholders as on April 1, 2015 and March 31, 2016

@ Top 10 shareholders only as on April 1, 2015

Top 10 shareholders only as on March 31, 2016

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Director/KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | % change in share holding during the year | % of total shares of the company |
| 1 | Mr. Anjan Chatterjee | 1,20,70,000 | 25.70 | 1,20,70,000 | 25.70 |
| 2 | Mrs. Suchhanda Chatterjee | 1,19,70,000 | 25.49 | 1,19,70,000 | 25.49 |
| 3 | Mr. Indranil Chatterjee | 1,299 | 0.00 | 1,299 | 0.00 |
| 4 | Mr. Dushyant Mehta | 1,280 | 0.00 | 1,280 | 0.00 |
| 5 | Mr. Rajesh Kumar Mohta | 1,280 | 0.00 | 1,280 | 0.00 |
| 6 | Mr. V.S. Satyamoorthy | 400 | 0.00 | 400 | 0.00 |

There were no changes in the Shareholding pattern of the Directors and Key Managerial Personnel of the Company during the financial year ended March 31, 2016.

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 |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 62,42,537 | - | - | 62,42,537 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 62,42,537 | - | - | 62,42,537 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | 32,79,015 | - | - | 32,79,015 |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 29,63,522 | - | - | 29,63,522 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 29,63,522 | - | - | 29,63,522 |



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 | - | - | 50,000 options | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission as % of profit others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total (A) | 60,00,000 | 21,00,000 | 21,00,000 | 1,02,00,000 |
| | Ceiling as per the Act | The remuneration to Managing Director and Whole-time Directors was within the ceiling as per 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** | |
| 1 | Independent Directors | | | | | | |
| | • Fee for attending board committee meetings | 1,30,000 | 1,67,500 | 1,67,500 | 95,000 | - | 5,60,000 |
| | • Commission for the year 2014-15 | 2,89,400 | 2,61,400 | 2,61,400 | 1,22,500 | 65,300 | 10,00,000 |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (1) | 4,19,400 | 4,28,900 | 4,28,900 | 2,17,500 | 65,300 | 15,60,000 |
| 2 | Other Non-Executive Directors | | | | | | |
| | • Fee for attending board committee meetings | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |
| | Total (B)=(1+2) | 4,19,400 | 4,28,900 | 4,28,900 | 2,17,500 | 65,300 | 15,60,000 |
| | Total Managerial Remuneration | | | | | | 15,60,000 |
| | Overall Ceiling as per the Act | The Commission to non-executive Directors was within the ceiling as per the Companies Act, 2013. | | | | | |

*Resigned with effect from May 9, 2016.

**Resigned with effect from March 20, 2015.

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

(In ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|---|---|------------------|
| | | Mr. V.S. Satyamoorthy - Company Secretary | Mr. Rajesh Kumar Mohta - Executive Director-Finance & CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 15,56,448 | 35,71,800 | 51,28,248 |
| | (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 | 19,000 options | 38,400 options | 57,400 options |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission as % of profit others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total Remuneration paid in financial year 2015-16 | 15,56,448 | 35,71,800 | 51,28,248 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: - There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

For and on behalf of the Board
Speciality Restaurants Limited

Date: May 28, 2016
Place: Mumbai.

Susim Mukul Datta
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

As per the Central Statistics Office (CSO), India's economy grew at around 7.6% during the fiscal year ended March 2016 on improved performance in the manufacturing and farm sectors including trade, hotels, transport, communication and services related to broadcasting' sector growing at 9%. The private corporate sector growth in the hotels and restaurant industry as estimated by CSO from the available data from the listed companies was 21.5% during April-March, 2015-16.

Retail inflation measured by Consumer Price Index (CPI) was within RBI's target of about 6% in 2015-16. Going forward, CPI inflation is expected to decelerate modestly and remain around 5% during 2016-17. However, there are uncertainties surrounding this inflation path emanating from recent upturn in commodity prices, especially oil. On the other hand, there will be some offsetting downside pressures stemming from tepid demand in the global economy, Government's effective supply side measures keeping a check on food prices, and the Central Government's commitment to fiscal consolidation and implementation of 7th Central Pay Commission recommendations.

The government has taken several initiatives in the areas of infrastructure, easing the process of doing business, opening FDI, targeting inflation for monetary policy, smart cities campaign, urban development, encouraging startups, skill development etc. The impact of most of these measures can be gauged over a period of time and may not get reflected in the economic numbers immediately as they must hence be interpreted more in terms of laying a foundation for future growth.

Food and Services Industry-Overview

The Indian Food and Beverage (F&B) service Industry is one of the most vibrant industries that has seen unprecedented growth in the recent past and continues to expand rapidly. This can be attributed to the changing demographics, increase in disposable incomes, urbanisation and growth of organised retail.

The F&B service market is growing at compound annual growth rate (CAGR) of 23-24% per annum and is expected to reach ₹ 3,80,000 crore by 2017. The Fine Dine market is growing at CAGR of 13% per annum and is expected to be ₹ 13,000 crore by 2018. The sector is dominated primarily by the traditional segment. The brands and restaurant chains of both Indian origin and multinationals have not optimally penetrated the market so far. The F&B sector has evolved over the past decade, giving rise to exciting new concepts in food and beverage offerings and new and innovative service elements.

Segments such as fine dining, casual dining, quick service restaurants, cafes, etc. have found favour with the consumers. The F&B industry has been at the forefront of attracting investments into India and has played an integral role in portraying India as a land of opportunity.

Although predominantly concentrated in the unorganised space, with the advent of foreign and Indian restaurant chains, the organised market is likely to expand quite rapidly. More than 70% of the food services industry in India comprises the unorganised sector as compared to the 20% in the 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. Eating out has evolved from an occasion driven activity to an occasion in itself for the youth for whom eating out is the most favoured activity besides hanging out with friends.

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 to 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 18 to 30 years and this group makes up 58% of the customer profile followed by 31 to 40 years. These are obviously professionals and 31% of their monthly consumption expenditure goes into foods and beverages. Customers segment in the age group of 18 to 24 years is most price sensitive and 73% of the youth consider price the most important consideration while eating out.

A research reveals that approximately 89% of people in the age group of 18 years till 35 years visit a fine dining venue once a month. It is noticed that the eating pattern largely depends on offers, discounts, loyalty membership because 59% people eat out on the weekends. 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

A good 73% of customers consider price to be the biggest deciding factor 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. Further Online ordering aggregators have caught on and they are passing on technology savvy customers pricing benefits.

Market Segments

The market segment of the food service industry that is right on top are the Quick Service Restaurants 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.



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, the 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. Customization of products and services have 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 has begun to cater to these demands by serving a variety of foods from across the world like Italian, Mexican, Japanese, Middle Eastern, European, African besides the popular Chinese and 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 retailing 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 3-5 years. (Source: www.joneslanglasallegblog.com)

Opportunities and Threats

New opportunities are emerging in the organised segment in certain locations where a high density of people congregate, including shopping malls, travel terminals, office complexes and medical institutions. In particular, shopping malls are becoming a customary place for congregation and customer spending in shopping malls is increasing. Shopping malls tend to favour efficient formats such as kiosks and food courts, which are most suitable for fast food restaurants and casual dining full-service restaurants will likely remain standalone as mall developers are expected to encourage kiosks and food courts that house multiple establishments. (Source: *NRAI Report*)

Opportunities to the Company are –

- Increasing share of delivery and take-away formats, with a focus on convenience.
- Experimentation with new formats, themes and menus; interest through entrepreneurial ventures.
- Indian brands going international.
- Strategic pricing for the buffet format for weekday and weekend
- Riding on the technology wave by tying up with Tech savvy consumers and online food aggregators.
- New formats, Sweating of assets and extended hours at select locations to build operational leverage.

Some of the threats to the Company's prospects are economic and market factors such as high food cost inflation, fragmented market and increasing competition, operational challenges including real estate, manpower, fragmented supply chain and liquor sourcing, regulatory concerns such as existing high taxes, burden of new taxes and over licensing and increasing interest from private equity and venture capital investors in the industry.

Competitive Advantage

During the financial year 2015-16, the Company has opened 14 restaurants of which 13 are Company Owned Company Operated (COCO) and 1 is Franchise Owned Company Operated (FOCO). The Company ended financial year 2015-16 with 105 restaurants (including 22 franchisee) and 18 confectionaries.

Your Company 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.

Your Company has gone in for a Brand Refresh and opened new restaurant under the brand '**Asia Kitchen by Mainland China**'. It has 60% of Mainland China's offerings but there is 40% new offerings 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 outlets has a more casual atmosphere with a much younger crowd mix.

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 Bengali's looking for the flavour of home.



Sigree Global Grill has already become a core brand serving grilled flavours 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 five more outlets opened during the year, two in Mumbai and one each in Pune, Chennai and Kolkata. 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 flavours alongwith a complimenting 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 dinners 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.

With three outlets of **Zoodles**, a Quick Service Restaurant, your Company is proceeding cautiously with a 'Hub and Spokes' model to ensure efficient operations without compromise on quality and service.

Risk, concerns and Mitigation

Business risks such as industry risk, general economic conditions, socio-political risks and company specific risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, continuing inflationary conditions, heavy dependence on fine-dine segment, competition from global chains and other segments of the restaurant industry and any change in regulatory framework for the industry.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

Raw Material Costs

In addition to renewing contracts at better rates, the Company is undertaking import substitution to the extent possible without compromising quality.

Fixed Costs

Going forward, in order to reduce the overheads of the cost of individual restaurants, the new restaurants which are being introduced are of a more compact size. The kitchen area which used to be about 1500 square feet has already been reduced to 800-900 square feet without affecting the quality and service aspects. 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 increase in service hours by keeping restaurants open between lunch and dinner at feasible locations, thereby enhancing sales and productivity.

Increasing Competition

The two cornerstones of having a competitive edge remain brand positioning for the existing brands and introduction of new brands targeted at niche cuisines or customer markets. Hoppipola which is specifically for younger crowds and Café Mezzuna which covers European cuisine are examples of the same. Mainland China is now being positioned as Asia Kitchen by Mainland China. Here, the Company has included Pan Asian dishes in addition to the traditional fare 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

Your Company has in place its own adequate internal control systems to ensure that all assets are protected, with documented procedures covering all corporate functions and restaurants. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control systems are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Restaurant Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Internal Auditor. The Company continues its efforts to align all its processes and controls with best practices. The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operational unit and all major corporate functions.

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

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

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



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 2015-16

Financial Performance as a measure of Operational Performance

a) Total Revenue (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|-------------------------|---------------|---------------|--------------|------------|
| Revenue From Operations | 3213.5 | 2993.8 | 219.7 | 7.3 |
| Other Income | 83.0 | 77.1 | 5.9 | 7.7 |
| Total | 3296.5 | 3070.9 | 225.6 | 7.3 |

Total Income which comprises of Revenues from Operations and Other Income registered a growth of 7.3 % 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 and Fixed Assets (Net), Foreign Exchange Gains (Net), Excess Credit Balance written back (Net) and Miscellaneous Income.

b) Cost of Material Consumed (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|---------------------------|---------|---------|------------|------------|
| Cost of Material Consumed | 1055.0 | 940.8 | 114.2 | 12.1 |

Cost of Materials consumed for the year has gone up by 12.1 % as compared to the previous year. This was primarily due to across-the-board increase in raw material costs on account of inflation and increase in the number of restaurants.

c) Employee Benefit Expenses (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|---------------------------|---------|---------|------------|------------|
| Employee Benefit Expenses | 831.7 | 719.6 | 112.1 | 15.6 |

Employee Benefit Expenses comprises salary, bonus, allowances, Staff welfare expenses and Company's contribution to Provident Fund and Gratuity. There is an overall 15.6% increase in Employee Benefit expenses during the year under review as compared to previous year, primarily due to increase in salaries as well as employee cost of new restaurants.

d) Finance Costs (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|----------|---------|---------|------------|------------|
| Interest | 0.5 | 0.8 | (0.3) | (37.5) |

The interest cost on vehicle loan has decreased by 37.5% due to repayment of vehicle loans. There was no Long-term/Short-term debt raised during the year.

e) Depreciation / Amortization / Impairment (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|---|---------|---------|------------|------------|
| Depreciation and Amortization / Impairment Expenses | 283.3 | 252.3 | 31.0 | 12.3 |

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 2014-15. The amortisation expenses are towards intangible assets (Software, Patents and Trademarks), Impairment charges aggregating to ₹ 14.3 million against previous year of ₹ 7.1 million.

f) Other Expenses (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|----------------|---------|---------|------------|------------|
| Other Expenses | 1155.3 | 1042.2 | 113.1 | 10.9 |

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 inflation and expenses pertaining to new restaurants.

g) Profitability (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|-------------------------------|---------|---------|------------|------------|
| Profit Before Tax (PBT) | (29.3) | 115.2 | (144.5) | (125.4) |
| Profit After Tax (Net Profit) | 2.6 | 94.5 | (91.9) | (97.2) |



Downward trend of discretionary spend, same store sales growth being in negative territory, lower footfalls during weekdays, extended breakeven period of new restaurants coupled with increased cost of materials impacted the margin which resulted in reduced profitability.

Financial Position

a) Net Worth (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|------------------------|---------------|---------------|------------|------------|
| Paid Up Share Capital | 469.6 | 469.6 | - | - |
| Reserves & Surplus | 2609.3 | 2606.6 | 2.7 | 0.1 |
| Total Net Worth | 3078.9 | 3076.2 | 2.7 | 0.1 |

Total Net worth of the Company increased during the year mainly due to profits earned during the year.

b) Total Borrowings (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|-------------------------|------------|------------|--------------|---------------|
| Short Term Borrowings | - | - | - | - |
| Long Term Borrowings | 1.3 | 3.0 | (1.7) | (56.7) |
| Total Borrowings | 1.3 | 3.0 | (1.7) | (56.7) |

The decrease in borrowing during the financial year 2015-16 was due to repayment of vehicle loans in installments. The Company did not have any debts on its books and thus continues to be a debt free company.

c) Liabilities and Provisions (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|------------------------------------|---------|---------|------------|------------|
| Current Liabilities and Provisions | 495.4 | 471.2 | 24.2 | 5.1 |

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

d) Net Fixed Assets (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|---------------------------------------|---------|---------|------------|------------|
| Fixed Assets after Depreciation (Net) | 1694.1 | 1615.9 | 78.2 | 4.8 |

There was an overall increase of 4.8% in the Net Fixed Assets of the Company primarily due to addition of tangible assets in respect of new restaurants.

e) Investments (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|-------------------------|--------------|--------------|---------------|---------------|
| Non-Current Investments | | | | |
| – Unquoted Investments | 9.1 | 9.0 | 0.1 | 1.1 |
| Current Investments | | | | |
| – Units of Mutual Funds | 703.8 | 794.8 | (91.0) | (11.4) |
| Total | 712.9 | 803.8 | (90.9) | (11.3) |

The Company's investment of surplus cash in Debt Mutual Funds decreased by 11.3% due to redemption of funds from the Mutual Funds for utilisation towards capital expenditure in the restaurants.

f) Trade Receivables (₹ In Millions)

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|--|-------------|--------------|----------------|---------------|
| Outstanding for period exceeding six months from due date of payment | | | | |
| – Considered Good | 2.6 | 60.6 | (58.0) | (95.7) |
| – Considered Doubtful | 55.6 | 53.1 | 2.5 | 4.7 |
| Others | | | | |
| – Considered Good | 34.7 | 91.5 | (56.8) | (62.1) |
| – Considered Doubtful | - | - | - | - |
| Less : Provisions | 55.6 | 53.1 | 2.5 | 4.7 |
| Total | 37.3 | 152.1 | (114.8) | (75.5) |

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

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

| | 2015-16 | 2014-15 | Change (₹) | Change (%) |
|---|----------------|----------------|-------------------|-------------------|
| Balance with Bank in Current Account | 9.9 | 13.3 | (3.4) | (25.6) |
| Balance with Bank in Fixed Deposits | 39.2 | 45.0 | (5.8) | (12.9) |
| Cash on Hand | 3.6 | 4.0 | (0.4) | (10.0) |
| Other Bank Balances in earmarked accounts | 1.9 | 0.8 | 1.1 | 137.5 |
| Total | 54.6 | 63.1 | (8.5) | (13.5) |

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

Disclosure of accounting treatment in preparation of financial statements

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

Outlook

An improvement in the macro-economic fundamentals is expected to spur demand by improving the overall consumer sentiment. The Company expects demand to pick up as and when the disposable income in the hands of consumers increases due to pick up in economic activity and various government initiatives in the areas of infrastructure, NREGA, implementation of 7th Pay Commission, easing the process of doing business, opening FDI, targeting inflation for monetary policy, smart cities campaign, urban development, encouraging startups, skill development etc.

The Company has a good set of brands in different cuisines, formats and segments and has also been investing in refreshing of brands to service the aspirations of all guests across geographies. The Company is well poised to effectively capture the growth opportunities in food and beverage domain.

Material developments in Human Resources

Human Resource is the most vital factor to achieve the goals of any organization. Being a progressive organization, your Company firmly believes in the strength of its most vital asset of over 4,300 strong workforce. To maintain its competitive edge in a highly dynamic industry, your Company recognizes the importance of having a work force which is consumer-focused and performance-driven. In keeping with this, a number of policies and initiatives have been drawn up to ensure a healthy balance between business needs and individual aspirations. Training of employees is carried out both by in-house trainers as well as outside trainers at the various locations to sharpen the skill set of the workforce.

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 Regulation 34 (3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), a Report on Corporate Governance for the year ended March 31, 2016 is detailed below:-

1. Company's Philosophy on Code of 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.

There were no changes in the composition of the Directors during the financial year ended on March 31, 2016. The particulars of a Director seeking re-appointment by the Members have been included in the Notice of the Annual General Meeting (AGM).

The Composition of the Board, category of Directors and details of shares held by them as on March 31, 2016 are as under:

| Category | Name of the Director | Designation | No. of Shares held as on March 31, 2016** |
|-------------------------------------|------------------------------|---|---|
| Promoter Executive 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 Non-Executive Directors | Mr. Susim Mukul Datta | Chairman | Nil |
| | Mr. Jyotin Mehta | Director | Nil |
| | Mr. Tara Sankar Bhattacharya | Director | Nil |
| | Mr. Dushyant Mehta | Director | 1,280 |

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

** The Company has not issued any convertible instruments.

2.2 Meeting of the Board of Directors and Board Procedures

The Board of Directors had met six (6) times during the year under review on April 28, 2015, May 27, 2015, August 12, 2015, November 7, 2015, February 5, 2016 and March 23, 2016.

The Agenda for the Board Meetings together with the appropriate supporting documents and relevant information 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 2015-16 and the last AGM of the Company held on August 26, 2015 and the number of Companies and Committees where they are Directors/Members or Chairperson as on March 31, 2016 are given below:-

| Attendance Particulars | | | No. of Directorship(s) held in other Indian Public Limited companies* | No. of Directorship(s) in other companies* | Membership(s) of Committees of other companies # | Chairperson of Committees of other companies # |
|--------------------------------|--------------------------------|-----|---|--|--|--|
| Name of the Director | No. of Board Meetings Attended | AGM | | | | |
| Mr. Susim Mukul Datta | 6 | Yes | 9 | 1 | 6 | 2 |
| Mr. Anjan Chatterjee | 5 | Yes | - | 11 | - | - |
| Mrs. Suchhanda Chatterjee | 3 | Yes | - | 8 | - | - |
| Mr. Indranil Chatterjee | 5 | Yes | - | 4 | - | - |
| Mr. Jyotin Mehta | 6 | Yes | 1 | - | 1 | 1 |
| Mr. Tara Sankar Bhattacharya** | 4 | Yes | 7 | - | 2 | - |
| Mr. Dushyant Mehta*** | 6 | No | 1 | 1 | - | - |

*Excluding Foreign Companies.

** Resigned as a Director w.e.f. May 9, 2016.

***As prescribed under the Companies Act, 2013 the Chairman of the Nomination and Remuneration Committee (NRC) who is an Independent Director, due to illness, authorized Mr. Jyotin Mehta, Member of NRC to represent him at the AGM of the Company on his behalf. Accordingly Mr. Jyotin Mehta was present at the AGM.

Includes only Audit Committee and Stakeholders' Relationship Committee.



The number of Directorships, Committee Memberships/Chairmanships held by all Directors across all Companies is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations a separate meeting of Independent Directors of the Company was held on March 23, 2016 to review (i) the performance of Non-Independent Directors and the Board of Directors as a whole; (ii) the performance of the Chairman of the Company by taking into consideration the views of Executive Directors and Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors which is necessary for the Board of Director to effectively and reasonably perform their duties.

2.5 Evaluation of Board's Performance

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and 25 of the Listing Regulations, the Board had carried out the performance evaluation. The exercise was carried out through structured evaluation process 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 attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders' interest, etc.

The evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the non-independent Directors was carried out by the Independent Directors at the separate Meeting of Independent Directors.

The performance evaluation of the Chairman was also carried out by the Independent Directors at their separate meeting by taking into consideration the views of Executive Directors.

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

2.6 Familiarisation Programme for Independent Directors

In accordance with the requirements of the Listing Regulations and Schedule IV of the Companies Act, 2013, as amended, the Company has introduced a programme (the "Programme") to regularly familiarise the Independent Directors (the "Independent Directors") of the Company in areas relating to the business model of the Company, nature of industry in which the Company operates and the roles, rights and responsibilities of the Independent Directors.

The Programme aims at enabling the Independent Directors to understand the business model of the Company and keep them updated on an ongoing basis about the significant changes which occur in the industry in which the Company operates.

The Company, through various presentations and/or discussions familiarises the Independent Directors on the overall economic trends, the performance of the food and beverage sector and analysis of the circumstances which had adversely impacted the Company's performance and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, comparison of the Company's performance with its peers in the Industry as available in public domain, marketing/ brand strategy, business risks and mitigation plan etc.

The summary of the presentations made to the Independent Directors during the Financial Year 2015-16 as part of the ongoing familiarisation programme is available on the website of the Company under the web link: http://www.speciality.co.in/pdf/fpid/Ongoing_Familiarization_Programme.pdf

3. Audit Committee

3.1 Composition, Meeting and Attendance

The Audit Committee comprises five Directors of whom four are Non-Executive Independent Directors. Mr. Susim Mukul Datta was inducted as a Member of the Committee with effect from August 12, 2015. 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 internal auditors are also invited to share internal audit findings with the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met seven times during the year under review on April 28, 2015, May 27, 2015, August 12, 2015, November 7, 2015, January 28, 2016, February 5, 2016 and March 23, 2016.

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 | 7 | 7 |
| Mr. Tara Sankar Bhattacharya* | Member | Non-Executive Independent Director | 7 | 5 |
| Mr. Anjan Chatterjee | Member | Managing Director | 7 | 6 |
| Mr. Dushyant Mehta | Member | Non-Executive Independent Director | 7 | 7 |
| Mr. Susim Mukul Datta** | Member | Non-Executive Independent Director | 7 | 4 |

*Resigned as Member w.e.f. May 9, 2016

**Appointed as Member w.e.f. August 12, 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 erstwhile Listing Agreement and Regulation 18 read with Part C of Schedule II to Listing Regulations, as well as Section 177 of the Companies Act, 2013 which are as follows:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, re-appointment and ratification of the auditors' appointment, if required, the replacement of statutory auditors, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the 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. Modified opinion(s) 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. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- viii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the 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. Discussion with internal auditors of any significant findings and follow 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. Discussion 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. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xiv. To review the functioning of the Whistle Blower mechanism;
- xv. Approval of appointment of Chief Financial Officer 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 Mandatory review of information

In accordance with Para B of Part C of Schedule II to the Listing Regulations, the audit committee shall mandatorily review the following information:-

- i. Management Discussion and Analysis of financial conditions and results of operations;
- ii. Statement of significant related party transactions, submitted by the management;
- iii. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- vi. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32 (1) of the Listing Regulations.
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32 (7) of the Listing Regulations.



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. As on March 31, 2016 the Committee comprised of Mr. Dushyant Mehta, Mr. Jyotin Mehta and Mr. Susim Mukul Datta as its Members. The Company Secretary acts as Secretary to the Committee.

Three meetings of NRC were held during the year under review on May 27, 2015, November 7, 2015 and March 23, 2016, which were attended by all three Members of the Committee.

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. Dushyant Mehta | Chairman | Non-Executive Independent Director | 3 | 3 |
| Mr. Susim Mukul Datta | Member | Non-Executive Independent Director | 3 | 3 |
| Mr. Jyotin Mehta | Member | Non-Executive Independent Director | 3 | 3 |

4.2 Terms of reference

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement and Regulation 19 read with Part D of Schedule II to the Listing Regulations which are as under:-

- 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. Identifying 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. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors 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.
- xii. formulation of criteria for evaluation of performance of independent directors and the board of directors.
- xiii. devising a policy on diversity of board of directors.
- xiv. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4.3. Performance evaluation criteria for Independent Directors

Independent Directors are evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders' interest, etc.

4.4 Remuneration Policy

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

4.4.1 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.

4.4.2 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.

4.4.3 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.

4.4.4 Remuneration to Other Employees

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

4.4.5 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.



5 Remuneration of Directors

5.1 Pecuniary relationship or transactions of Non-Executive Directors

During the financial year 2015-16, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission.

5.2 Criteria and Remuneration paid to Non-Executive Directors of the Company

Non-Executive Directors may be paid remuneration by way of fee (sitting fee) for attending each meeting of the Board of Directors and its Committees thereof and reimbursement of expenses for participation in the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever as may be decided by the Board from time to time subject to the limits prescribed under the Companies Act. They are entitled to be paid all travelling and other expenses they incur for attending the Company's affairs, including attending and returning from General Meeting of the Company or the Meetings of the Board of Directors or Committee of Directors. 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 may also be paid commission 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 2015-16 were as under:

| Sr. No. | Name of the Director | Sitting fees paid for the FY 2015-16 (₹) | Commission paid for the FY 2014-15 (₹) | Total (₹) |
|--------------|------------------------------|--|--|------------------|
| 1 | Mr. Susim Mukul Datta | 1,30,000 | 2,89,400 | 4,19,400 |
| 2 | Mr. Jyotin Mehta | 1,67,500 | 2,61,400 | 4,28,900 |
| 3 | Mr. Tara Sankar Bhattacharya | 95,000 | 1,22,500 | 2,17,500 |
| 4 | Mr. Dushyant Mehta | 1,67,500 | 2,61,400 | 4,28,900 |
| 5 | Mr. Vishal Sood* | - | 65,300 | 65,300 |
| Total | | 5,60,000 | 10,00,000 | 15,60,000 |

*Resigned as a Director w.e.f. March 20, 2015

5.3 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 2015-16 are summarised below:-

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

5.4 Stock option details

The Board granted 50,000 stock 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 2015-16, 12,500 stock options were vested in favour of Mr. Indranil Chatterjee on September 6, 2015 and 25,000 stock options were vested in his favour as on March 31, 2016 on cumulative basis. No vested options were exercised by him as on March 31, 2016.

5.5 Service contracts, notice period and severance fees

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

6. Stakeholders Relationship Committee

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

6.1 Composition, Meetings and Attendance

As on March 31, 2016, 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.

During the financial year 2015-16, one Meeting of SRC was held on November 7, 2015 which was attended by all the Members of the Committee.



6.2 Terms of reference

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

- i. Redressal of Shareholders'/Investors' complaints;
- ii. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- iii. Issue of duplicate and new share certificates on split/consolidation/renewal;
- iv. Non-receipt of declared dividends, annual reports of the Company;
- v. Carrying out any other function contained in the Listing Regulations; and
- vi. To consider and resolve the grievance of the security holders of the Company.

6.3 Status report on number of shareholders' complaints received, resolved and pending during the financial year ended March 31, 2016

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 shares of the Company.

Link Intime India Private Limited had received five (5) 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.

7. 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.

7.1 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 2015-16, the CSR Committee met two times on January 28, 2016 and March 23, 2016.

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 | 1 |
| Mr. Dushyant Mehta | Member | Non-Executive Independent Director | 2 | 2 |

7.2 Terms of reference

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

- i. 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;
- ii. 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
- iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

8. Risk Management Committee

The Company has constituted the Risk Management Committee in accordance with the Clause 49 of the erstwhile Listing Agreement which is also in compliance with Regulation 21 of the Listing Regulations.

8.1 Composition, Meetings and Attendance

As on March 31, 2016, 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 2015-16, one Meeting of the Risk Management Committee was held on January 28, 2016 which was attended by all the Members of the Committee.

8.2. Terms of reference

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

- i. Laying down risk assessment and minimisation procedures and the procedures to inform the Board of the same;
- ii. Framing, implementing, reviewing and monitoring the Risk Management plan for the Company; and
- iii. 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.



9. General Body Meetings

9.1 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 |
|---------|----------------|------------------------|--------------------|------------|---|---|
| 1 | 2014-15 | 16 th AGM | August 26, 2015 | 11.00 a.m. | Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017 | <p>Resolution No. 4: Ratification of the remuneration received by Mr. Anjan Chatterjee in excess of the limits for the financial year 2014-15 and modification of the terms and conditions of Remuneration with effect from April 1, 2015.</p> <p>Resolution No. 5 Re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company.</p> <p>Resolution No. 6 Re-appointment of Mr. Indranil Chatterjee as a Whole-time Director of the Company.</p> |
| 2 | 2013-14 | 15 th AGM | September 15, 2014 | 11.00 a.m. | Science City, Mini Auditorium, JBS Haldane Avenue, Kolkata- 700046. | <p>Resolution No. 9: Amendment to the Articles of Association</p> |
| 3 | 2012-13 | 14 th AGM | August 13, 2013 | 3.00 p.m. | Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017 | <p>Resolution No. 6: Re-appointment of Mr. Anjan Chatterjee as Managing Director of the Company on the revised remuneration.</p> <p>Resolution Nos. 7 & 8 Revision in terms and conditions of remuneration of Mrs. Suchhanda Chatterjee, and Mr. Indranil Chatterjee, Whole-time Directors.</p> <p>Resolution No. 9: Payment of Commission to the Non-Executive Directors.</p> |

All Special Resolutions in the Previous three AGMs of the Company were passed with requisite majority.

All Resolutions were approved through e-voting/ ballot at the meeting held on August 26, 2015 last year.

10. Postal Ballot

During the year under review, postal ballot was conducted in the months of October and November, 2015 for three special resolutions relating to (i) Alteration of the Objects Clause and Liability Clause of the Memorandum of Association of the Company (ii) Adoption of New set of Articles of Association and (ii) Variation in the terms of the Objects of the Issue.

Mr. Tarun Chatterjee (Membership No. A17195/C.P. No. 6935) of M/s. T. Chatterjee and Associates, Practising Company Secretaries conducted the Postal Ballot exercise.

The details of voting pattern in respect of the Postal Ballot conducted during the year under review are given below:-

| Sr. No. | Particulars | Special Resolution No. 1 - Alteration of the Objects Clause and Liability Clause of the Memorandum of Association of the Company | Special Resolution No.2 - Adoption of New set of Articles of Association of the Company | Special Resolution No.3 - Variation of the terms of the Objects of the Issue |
|---------|--|--|---|--|
| 1 | No. of Shareholders Voted | 117 | 117 | 117 |
| 2 | Number of Shares held | 4,13,54,762 | 4,13,54,524 | 4,13,54,424 |
| 3 | Number of voters voted in favour of the Resolution | 110 | 108 | 109 |
| 4 | Number of voters voted against the resolution | 7 | 9 | 8 |
| 5 | Number of votes in favour of the resolution | 4,13,54,328 | 4,13,53,987 | 4,13,53,819 |
| 6 | Percentage of votes in favour of the Resolution | 100 | 100 | 100 |
| 7 | Number of votes against the Resolution | 434 | 537 | 605 |
| 8 | Percentage of votes against the Resolution | - | - | - |

All the three special resolutions as set out in the Postal Ballot Notice dated August 12, 2015 were approved by majority of the Members of the Company on November 27, 2015, the result of which was declared on November 30, 2015.



Pursuant to Clause 35B of the erstwhile Listing Agreement, the Company had also offered e-voting facility, through Central Depository Services (India) Limited, as an alternate for Postal Ballot, to enable the shareholders to cast their votes electronically.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

11. Means of Communication

11.1 Quarterly results

The financial results are generally published in the Business Standard (all editions) and Aaj Kaal (a regional newspaper published in the State of West Bengal) and also displayed on the website of the Company at www.speciality.co.in.

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website.

11.2 Presentations made to institutional investors or to the analysts

The presentations made to the institutional investors or to the analysts were submitted to Stock Exchanges and the same were uploaded on the website of the Company.

12. General Shareholder Information

12.1 Seventeenth Annual General Meeting

Day, Date & Time : Wednesday, August 24, 2016 at 11.00 a.m.

Venue: Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017.

12.2 Financial Calendar for 2016-17

| | |
|--|--|
| Financial reporting for the quarter ending June 30, 2016. | 2 nd Week of August, 2016 |
| Financial reporting for the quarter/half year ending September 30, 2016. | 2 nd week of November, 2016 |
| Financial reporting for the quarter ending December 31, 2016. | 2 nd week of February, 2017 |
| Financial reporting for the year ending March 31, 2017. | Last week of May, 2017 |

12.3 Book-closure date Thursday, August 18, 2016 to
Wednesday, August 24, 2016 (Both days inclusive)

12.4 Listing Details

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

National Stock Exchange of India Limited, ("NSE") **BSE Limited, ("BSE")**
"Exchange Plaza", Plot No. C/1, G-Block, Bandra-Kurla Complex, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
Bandra East, Mumbai 400 051.

12.5 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 2016-17.

12.6 Stock Market Data

The high/low of the market price of the shares of the Company during the financial year 2015-16 is given below.

| Months | BSE Limited (BSE) | | | | National Stock Exchange of India Limited (NSE) | | | |
|----------------|-------------------|--------|----------------------|------------------------|--|--------|----------------------|------------------------|
| | High ₹ | Low ₹ | No. of Shares traded | S&P BSE Sensex Closing | High ₹ | Low ₹ | No. of Shares traded | Nifty 50 Index Closing |
| April 2015 | 218.80 | 170.60 | 2,36,222 | 27,011.31 | 218.60 | 170.00 | 7,75,851 | 8,181.50 |
| May 2015 | 187.10 | 153.80 | 51,002 | 27,828.44 | 188.00 | 153.00 | 3,09,291 | 8,433.65 |
| June 2015 | 172.30 | 130.70 | 1,80,082 | 27,780.83 | 171.70 | 131.10 | 9,81,892 | 8,368.50 |
| July 2015 | 167.20 | 135.00 | 1,21,357 | 28,114.56 | 167.45 | 136.20 | 10,70,661 | 8,532.85 |
| August 2015 | 172.40 | 127.20 | 1,43,321 | 26,283.09 | 172.00 | 125.00 | 7,16,711 | 7,971.30 |
| September 2015 | 162.30 | 135.40 | 62,650 | 26,154.83 | 162.00 | 140.05 | 2,48,120 | 7,948.90 |
| October 2015 | 164.80 | 135.50 | 62,639 | 26,656.83 | 164.50 | 138.10 | 3,94,211 | 8,065.80 |
| November 2015 | 140.80 | 114.00 | 1,29,058 | 26,145.67 | 140.90 | 114.10 | 5,60,768 | 7,935.25 |
| December 2015 | 148.00 | 117.00 | 1,11,872 | 26,117.54 | 144.85 | 116.95 | 6,87,449 | 7,946.35 |
| January 2016 | 143.10 | 93.50 | 78,741 | 24,870.69 | 143.65 | 92.60 | 6,27,699 | 7,563.55 |
| February 2016 | 109.90 | 81.70 | 4,27,949 | 23,002.00 | 110.05 | 81.60 | 6,07,378 | 6,987.05 |
| March 2016 | 89.50 | 80.05 | 52,108 | 25,341.86 | 90.00 | 80.00 | 5,09,305 | 7,738.40 |

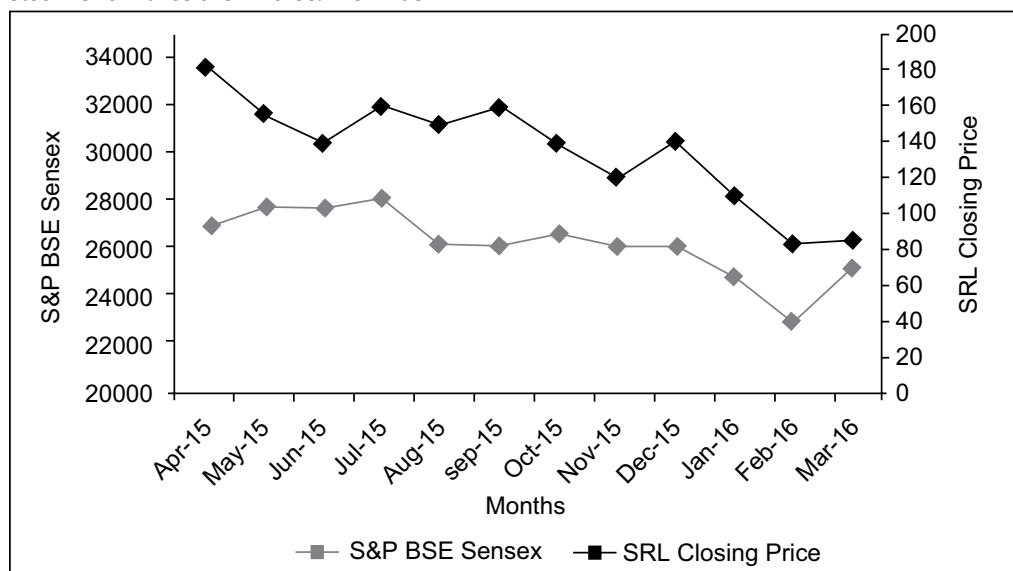
Source: www.bseindia.com and www.nseindia.com



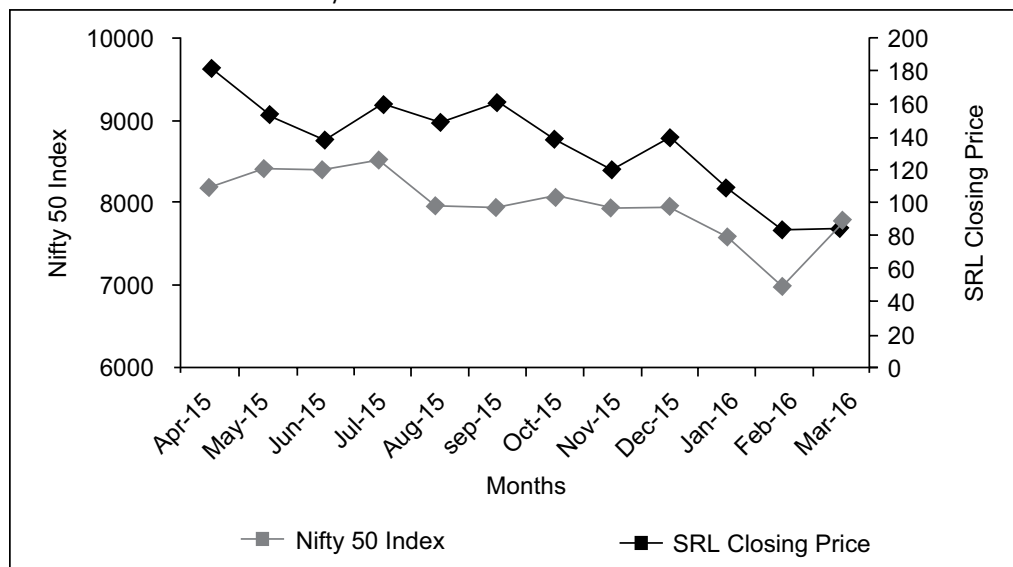
12.7 Stock Performance in comparison to broad based indices such as S&P BSE Sensex, etc.

The performance of Speciality Restaurants Limited's ("SRL") Equity Shares relative to the S&P BSE Sensex and NIFTY 50 is given in the charts below:

Stock Performance of SRL vs. S&P BSE Index



Stock Performance of SRL vs. Nifty 50 Index



12.8 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

12.9 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 transfer of share certificates in physical form are effected in 15 days and certificates are issued within 30 days from the date of receipt, if the documents are clear in all respects.

The Company obtains from the Practising Company Secretaries half yearly certificate/s of compliance with regard to the share transfer formalities as required under Clause 47(c) of the erstwhile Listing Agreement/s with the Stock Exchanges and Regulation 40(9) of the Listing Regulations and the same has been filed with the Stock Exchanges for the applicable period.



12.10 Distribution of Shareholding as on March 31, 2016

| No. of Equity Shares held | No. of Members | % of Members | No. of Shares held | Total % to the Paid up share capital |
|---------------------------|----------------|---------------|--------------------|--------------------------------------|
| 1 – 500 | 15,736 | 92.19 | 16,05,976 | 3.42 |
| 501 - 1,000 | 696 | 4.08 | 5,26,791 | 1.12 |
| 1,001 – 2,000 | 339 | 1.99 | 4,98,244 | 1.06 |
| 2,001 - 3,000 | 91 | 0.53 | 2,25,158 | 0.48 |
| 3,001 – 4,000 | 51 | 0.30 | 1,86,922 | 0.40 |
| 4,001 - 5,000 | 44 | 0.26 | 2,02,426 | 0.43 |
| 5,001 – 10,000 | 45 | 0.26 | 3,36,874 | 0.72 |
| 10,001 and above | 67 | 0.39 | 4,33,75,266 | 92.37 |
| Total | 17,069 | 100.00 | 4,69,57,657 | 100.00 |

12.11 Shareholding Pattern as on March 31, 2016

| Category | No. of Share held | Total % to the Paid up share capital |
|---|--------------------|--------------------------------------|
| Promoters and their relatives | 2,40,40,057 | 51.20 |
| Foreign Company | 49,92,140 | 10.63 |
| Foreign Institutional Investors | 68,83,466 | 14.66 |
| Mutual Funds | 37,47,094 | 7.98 |
| Other Bodies Corporate | 14,10,045 | 3.00 |
| Foreign Portfolio Investors (Corporate) | 12,35,330 | 2.63 |
| Non Resident Indians | 2,91,488 | 0.62 |
| Non-Nationalised Banks | 1,280 | 0.00 |
| Public and Others | 43,56,757 | 9.28 |
| Total | 4,69,57,657 | 100.00 |

12.12 Top ten shareholders as on March 31, 2016

| Name of the Shareholder | No. of Share held | % of Shareholding |
|--|--------------------|-------------------|
| Mr. Anjan Chatterjee | 1,20,70,000 | 25.70 |
| Mrs. Suchhanda Chatterjee | 1,19,70,000 | 25.49 |
| SAIF III Mauritius Company Limited | 49,92,140 | 10.63 |
| 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 | 25,27,663 | 5.38 |
| Retail Employees Superannuation Pty Limited as Trustee for Retail Employees Superannuation Trust | 17,59,863 | 3.75 |
| Paradice Global Small Mid Cap Fund | 8,74,449 | 1.86 |
| L and T Mutual Fund Trustee Ltd- L and T Equity Fund | 8,60,931 | 1.83 |
| Hostplus Pooled Superannuation Trust Paradise Investment Management Pty Limited | 7,99,251 | 1.70 |
| Kedia Securities Private Limited | 5,00,000 | 1.07 |
| Total | 4,02,32,261 | 85.67 |

12.13 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 the 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 appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Reports of M/s. GMJ & Associates 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.

12.14 Dematerialisation of Shares

4,69,57,458 Equity Shares representing 99.99% of the paid-up Equity Share Capital have been dematerialized as on March 31, 2016. 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 INE247M01014.



12.15 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, 2016.

12.16 Commodity Price risk or foreign exchange risk and hedging activities

The Company is not exposed to any commodity price risk. The disclosure of the foreign exchange risk and Company's hedging activities is given in the in the Page No. 94 of the Financial Statement.

12.17 Dealing with securities which have remained unclaimed

In terms of Regulation 39(4) read with Schedule VI to the Listing Regulations, the Company has delegated the authority to M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company in connection with share related activities including dealing with unclaimed securities. The RTA has confirmed that they did not hold any unclaimed shares lying with them as on March 31, 2016.

12.18 Unpaid and Unclaimed Dividends

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 26, 2015 on the Company's website www.speciality.co.in and on the website of the Ministry of Corporate Affairs.

13. Locations of Restaurants and Confectionaries as on March 31, 2016

Location of Company Owned Company Operated restaurants (COCO Model):

| Sr. No. | Name of the Restaurant | Address of the Restaurant |
|---------|--------------------------------|---|
| 1 | Mainland China | 3A, Gurusaday Road, Uniworth House, Kolkata-700019. |
| 2 | Mainland China | South City Mall, Shop No.313, 3rd Floor, 375, Prince Anwar Shah Road, Kolkata-700068. |
| 3 | Mainland China | Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T1-T2 (EM Bypass), Kolkata-700105. |
| 4 | Oh! Calcutta | 10/3, Elgin Road, 4th Floor, Forum Mall, Kolkata - 700020. |
| 5 | Oh! Calcutta | Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105. |
| 6 | Sigree Global Grill | Silver Arcade, 1st 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, 4th Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054. |
| 9 | Machaan | Mani Square, 4th 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. |
| 12 | Shacks | Mani Square, 4th 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, 4th Floor, Shop Nos. 401-402, 10/3, Elgin Road, Kolkata, 700020. |
| 15 | Café Mezzuna | South City Mall, 2nd Floor, 375, Prince Anwar Shah Road, Kolkata 700068 |
| 16 | Asia Kitchen by Mainland China | Acropolis Mall, Unit No. R003, 4th Floor, 1858/1, Rajdanga Main Road, Kolkata 700107 |
| 17 | Hoppipola | Acropolis Mall, Unit No. R003, 4th Floor, Premises No. 1858/1, Rajdanga Main Road, Kolkata 700107 |
| 18 | Mainland China | Sakinaka Junction, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400072. |
| 19 | Mainland China | Shalimar Morya Park, Ground Floor, Off New Link Road, Andheri (W), Mumbai- 400053. |
| 20 | Mainland China | City Park, 1st Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076. |
| 21 | Mainland China | Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064. |
| 22 | Mainland China | Unit No. S-00, Growels 101 Mall, Kandivali (East), Mumbai-400101. |
| 23 | Mainland China | R City Mall, 3rd Floor, L.B.S Marg, Ghatkopar (West), Mumbai - 400086. |
| 24 | Mainland China | Viviana Mall, F-38, 1st Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606. |
| 25 | Mainland China | Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703. |
| 26 | Oh! Calcutta | Hotel Rosewood, 99/C Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034. |
| 27 | Oh! Calcutta | Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053. |
| 28 | Oh! Calcutta | 757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai-400052. |
| 29 | Hoppipola | 757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai- 400052. |
| 30 | Hoppipola | Shop Nos. 135-138 A, Galleria Shopping Center, Hiranandani Gardens, Powai, Mumbai 400059. |



| Sr. No. | Name of the Restaurant | Address of the Restaurant |
|---------|--------------------------------|---|
| 31 | Hoppipola | First Floor, Todi Building, Mathurudas Mill Compound, Opp. Kamala Mills, Lower Parel, Mumbai 400013 |
| 32 | Hoppipola | Third Floor, Infinity Mall – II, Link Road, Malad West, Mumbai 400064 |
| 33 | Sigree | Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703. |
| 34 | Sigree-Global Grill | Ventura Shopping, 1st Floor Central Avenue Road, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai - 400076. |
| 35 | Sigree-Global Grill | Palm Spring, Unit No.812, 8th Floor, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064. |
| 36 | Asia Kitchen by Mainland China | Unit No. T-16, 3rd Floor, Palladium Mall, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013. |
| 37 | Asia Kitchen by Mainland China | Unit No. R-04, Third Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (East), Mumbai-400063. |
| 38 | 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. |
| 39 | Zoodles | Unit No. FC-18, 3rd Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai 400063 |
| 40 | Café Mezzuna | Second Floor, Infinity Mall, New Link Road, Oshiwara, Andheri West, Mumbai 400053 |
| 41 | Mainland China | City Point, Ground Floor, Dhole Patil Road, Pune-411001. |
| 42 | Mainland China | Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016. |
| 43 | Mainland China | Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007. |
| 44 | Mainland China | EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028. |
| 45 | Sigree Global Grill | City Tower, Ground floor, Dhole Patil Road, Pune-411011. |
| 46 | Sigree Global Grill | Ground Floor, East Block, 28-30 & 37-38, Amanora Park Township, Village Sadesatranali (17-1/2 Nali), Hadapsar Taluka Haveli, Pune 411004 |
| 47 | Sigree | Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007. |
| 48 | Hoppipola | Ground Floor, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007. |
| 49 | Hoppipola | Ground Floor, East Block, 28-30 & 37-38, Amanora Park Township, Village Sadesatranali (17-1/2 Nali), Hadapsar Taluka Haveli, Pune 411004 |
| 50 | Mainland China | Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048. |
| 51 | Mainland China | Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301. |
| 52 | Mainland China | Shop Nos. 6 – 10, Second Floor, Central Plaza, DLF Golf Course Road, Sector 53, Gurgaon – 122002. |
| 53 | Oh! Calcutta | Ground Floor, Block “E”, American Plaza, International Trade Tower, Nehru Place, New Delhi-110019. |
| 54 | Oh! Calcutta | DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon 122002. |
| 55 | Mainland China | 14, Church Street, Bengaluru-560001. |
| 56 | Oh! Calcutta | 14, Church Street, Bengaluru-560001. |
| 57 | Mainland China | No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038. |
| 58 | Mainland China | 136, 1st Cross, 5th Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095. |
| 59 | Mainland China | 19, 5th Block, 5th Main Road, 40th cross, Jayanagar, Bengaluru-560041. |
| 60 | Mainland China | Orion Mall, Brigade Gateway, 26/1, 80 Feet Road, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055. |
| 61 | Mainland China | 28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066. |
| 62 | Mainland China | 5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043. |
| 63 | Sigree Global Grill | 28 /2, Primus Building, Siddapura, Whitefield Main Road, Bengaluru-560066. |
| 64 | Sigree Global Grill | 2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043. |
| 65 | Hoppipola | No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru- 560038. |
| 66 | Hoppipola | 3rd Floor, 14, Church Street, Bengaluru - 560001. |
| 67 | Café Mezzuna | 15/16, House of Lords, St. Marks Road, Bengaluru 560001 |
| 68 | Mainland China | First Floor, 5/360, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai-600097. |
| 69 | Mainland China | Phoenix Market City, Ist Floor, Velachery Road, Chennai – 600042. |



| Sr. No. | Name of the Restaurant | Address of the Restaurant |
|---------|--------------------------------|---|
| 70 | Sigree Global Grill | 5/360, 1st Floor, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai 600097. |
| 71 | Sigree Global Grill | 4th Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034 |
| 72 | Asia Kitchen by Mainland China | Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai, Tamilnadu 600034 |
| 73 | Hoppipola | Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034 |
| 74 | Mainland China | Building No.6-3-1186/1/1, 2nd & 3rd Floors, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020. |
| 75 | Mainland China | Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081. |
| 76 | Oh! Calcutta | Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020. |
| 77 | Sigree | Building No.6-3-1186/1/1, First Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020. |
| 78 | Kibbeh | Building No.6-3-1186/1/1, Fourth Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020. |
| 79 | Flame & Grill | Building No.6-3-1186/1/1, 2nd and 3rd Floor, Near. ITC Kakatiya Hotel, Begumpet, Hyderabad-500020. |
| 80 | Mainland China | Caculo Mall, 4th Floor, Level 5, New Shanta, St.Inez, Panjim, Goa - 403001. |
| 81 | Mainland China | Dreams Hotel, S.A.Road, Ernakulam Junction, Cochin-682020. |
| 82 | Mainland China | G-02, Ground Floor, NRK Business Park, Vijay Nagar Square, A.B.Road, Indore, Madhya Pradesh-452010 |
| 83 | 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 | 3rd Level, Centre Square Mall, Near Genda Circle, Sarabhai Road, Vadodara- 390007. |
| 2 | Mainland China | A1/ (a), IRC Village, Nayapalli, Bhubaneshwar-751015. |
| 3 | Mainland China | S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019. |
| 4 | Mainland China | Riverside Mall, Plot No. 3. 3rd Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010. |
| 5 | Mainland China | Shop No.301, 3rd Floor, Junction Mall, City Center, Durgapur-713216. |
| 6 | Mainland China | Central Mall, 5th Floor, Frazer Road, Patna-800004. |
| 7 | Mainland China | Gulmohar Mahal, 4th Floor, Satellite Road, Ahmedabad-380015. |
| 8 | Mainland China | Siam Tower, Road No.15, Sector 3,Uttara Model Town, Dhaka, Bangladesh |
| 9 | Mainland China | Inland Galore, 3rd Floor, Kankanady Bypass Road, Mangalore-575002. |
| 10 | Mainland China | Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102. |
| 11 | Machaan | Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102. |
| 12 | Mainland China | SCO 26, Sector-29, Gurgaon-122002. |
| 13 | Mainland China | Srinivas Towers, NBR 5 Centhop Road, Chennai-600018. |
| 14 | Sigree | 15, First Floor, Sardar Patel Road, Adyar, Chennai-600020. |
| 15 | Mainland China | D-3, Ground Floor, Malviya Marg, (City Corporate), C-Scheme, Jaipur-302001. |
| 16 | Mainland China | City Centre Mall, Next to Keys Hotel, Pune-Pimpri Highway, Pimpri, Pune-411018. |
| 17 | Sigree Global Grill | City Centre Mall, Next to Keys Hotel, Pune-Pimpri Highway, Pimpri, Pune 411018. |
| 18 | Sigree | Dynasty Tower, Plot-1, Road-12, Block-C, Section-6, Mirpur, Dhaka-1216, Bangladesh |
| 19 | Sigree | Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania. |
| 20 | Mainland China | Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania. |
| 21 | Mainland China | New No. 96. Old No. 15, S Block, 5th Avenue, (Opposite T.N.E.B. Office), Anna Nagar, Chennai -600040. |
| 22 | Zoodles | Food Court, Level III, Domestic Departure, Terminal 2, Chhatrapati Shivaji International Airport, Sahar Road, Andheri East, Mumbai 400099 |

Confectionaries (Company Owned and Company Operated):

| Sr. No. | Name of the Confectionary | Address of the Confectionary |
|---------|---------------------------|---|
| 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. |
| 5 | Sweet Bengal | 29, Om Geeta Niwas, Shivaji Park, Mahim, Mumbai-400016. |
| 6 | Sweet Bengal | Shop No.4, Shivgauri Apts, Ahimsha Marg, Off. Link Road, Malad (W), Mumbai-400064. |
| 7 | Sweet Bengal | Shop No.10, Matru Ashish, Nepean Sea Road, Mumbai-400036. |



| Sr. No. | Name of the Confectionary | Address of the Confectionary |
|---------|---------------------------|--|
| 8 | Sweet Bengal | Shop No.126, Galleria Shopping Complex, Hiranandani Gardens, Powai, Mumbai-400076. |
| 9 | Sweet Bengal | 2, Shaswat, M.G. Road, Opp: Jain Mandir, Vile Parle (E), Mumbai-400057. |
| 10 | Sweet Bengal | Plot No.17/18, Restaurant-1, First Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400 703. |
| 11 | Sweet Bengal | L-12, Gokuldharm Shopping Center, Gokuldharm, Goregaon (East), Mumbai-400 063. |
| 12 | Sweet Bengal | Shop No. 29, E.M.P. 51, Evershine Halley Co-operative Housing Society, Thakur Village, Kandivali East, Mumbai - 400 101. |
| 13 | Sweet Bengal | Queens Gate, Shop No.6, Ghodbunder Road, Hiranandani Estate, Thane- 400607. |
| 14 | Sweet Bengal | Shop no-18, Trimbak Tower, Plot no-86, Sector-15, CBD Belapur, Palm - Beach Road, Navi Mumbai - 400614. |
| 15 | Sweet Bengal | Shop No 20, Ground Floor, Block 2 - Emerald Plaza, Hiranandani Meadows, Pawar Nagar, Thane West-400606. |
| 16 | Sweet Bengal | Vivacity, Voltas Compound, Pokhran Road No. 2, Subhash Nagar, Thane (West) - 400 610 |
| 17 | Sweet Bengal | Unit No.K-02, Third Floor, International Business Park, Oberoi Mall, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400063 |
| 18 | Sweet Bengal | Unit No TF309 , Infinity Mall - II, Link Road, Malad West, Mumbai -400064 |

The Company has a manufacturing unit 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 Registrar, 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

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

Mr. Avinash Kinshikar

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

15. Other Disclosures

15.1 Disclosure on materially significant Related Party Transactions

There were no materially significant transactions during the year ended March 31, 2016 with related parties, vis., Promoters, Directors or the Key Managerial Personnel or their relatives or Subsidiary or Joint Venture company that had potential conflicts with the interests of the Company at large.

The Audit Committee had granted its approval for all Transactions with related parties which were in the ordinary course of business and on an arm's length pricing basis. The Audit Committee also granted omnibus approval for certain repetitive transactions with the related parties. The same were reviewed on a quarterly basis by the Audit Committee. Transactions with the related parties as per the requirements of Accounting Standard 18 are disclosed in Page No. 95 to the Financial Statement.

15.2 Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

15.3 Vigil Mechanism/Whistle Blower Policy

In terms of the provisions of Section 177 (9) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations, the Company has established a vigil mechanism policy for its Directors and Employees to report genuine concerns. The Policy has been disclosed on the website of the company at www.speciality.co.in. During the year under review no employee was denied access to the Audit Committee.

15.4 Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with the mandatory requirements of corporate governance report specified under Regulation 34(3) read with Para C of Schedule V to the Listing Regulations as disclosed above

In addition, the Company has also adopted the following non-mandatory/discretionary requirements as per Regulation 27 read with Part E of Schedule II to the Listing Regulations to the extent mentioned below:-

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 uploaded on the website of the Company www.speciality.co.in along with the investor presentations. Since the financial results are published in the newspapers having wide circulation, only the annual accounts are sent to each Member.

iii. Modified opinion(s) in audit report

The Auditors have not issued any modified opinion in audit report on the financial statement of the Company for the financial year ended March 31, 2016.

iv. Separate posts of Chairman and Chief Executive Officer

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

15.5 Subsidiary Company

During the year ended March 31, 2016, the Company had transferred the entire 51 % stake in Love Sugar and Dough Private Limited (LSDPL) by sale of 5,100 equity shares of LSDPL in terms of Share Sale Agreement dated July 10, 2015. Accordingly, LSDPL ceased to be the subsidiary of the Company with effect from August 3, 2015.

During the year ended March 31, 2016, the Company did not have any material listed/unlisted Subsidiary Company as per Clause 49 of the erstwhile Listing Agreement and/or Regulation 16 of the Listing Regulations. The Company's policy for determining material subsidiaries is placed on the Company's website at the following weblink http://www.speciality.co.in/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf

15.6 Policy on dealing with related party transactions

The Policy on dealing with related party transactions has been displayed on the website of the Company viz., www.speciality.co.in under 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

15.7 Commodity price risks and hedging activities

The Company is not exposed to any commodity price risk.

15.8 The Company has complied with corporate governance requirements specified in Regulations 17 to 27 of the Listing Regulations. The Company has disseminated on its website www.speciality.co.in the information specified in the clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

16. Details of utilization of funds out of the proceeds from the Public Issue

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 ₹ 1760.90 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. The utilisation of the IPO proceeds as of March 31, 2016 is summarized below:-

(₹ in million)

| Particulars | Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012 | Details of Planned utilisation of IPO proceeds pursuant to the variation as approved by the Members of the Company on November 27, 2015 (Refer Note 1) | Amount Utilised upto March 31, 2016 (to be read with Note 2) | Balance amount to be utilised. |
|--|---|--|--|--------------------------------|
| A | B | C | D | E |
| (i) Development of new restaurants | 1316.0 | - | 894.1 | - |
| (ii) Development of new restaurants/ conversion of existing restaurants (Refer Note 3) | - | 578.5 | 145.7 | 432.8 |
| (iii) Development of a food plaza | 151.0 | - | - | - |
| (iv) Repayment of Term Loan facilities | 94.2 | - | 94.2 | - |
| (v) General Corporate purpose | 10.5 | - | 10.5 | - |
| | 1571.7 | 578.5 | 1144.5 | 432.8 |
| (vi) Issue related expenses | 189.2 | - | 183.6 | - |
| Total | 1760.9 | 578.5 | 1328.1 | 432.8 |



Note 1

The Objects of the Issue as disclosed in the Prospectus dated May 22, 2012 issued by the Company for its IPO were varied after obtaining the approval of the Members of the Company through postal ballot on November 27, 2015, the result whereof were declared on November 30, 2015.

Note 2

The IPO proceeds as indicated in Column D (i), (iv), (v) and (vi) were utilised by the Company by March 31, 2015 and the balance unutilised amount is proposed to be used for the new object (being Development of new restaurant/conversion of existing restaurants) as approved by the shareholders on November 27, 2015. Accordingly, the balance unutilised amounts related to objects described in Column A (i), (iii) and (vi) are shown as Nil and instead reflected now shown under item no. (ii) in the above statement.

Note 3

The amount shown in column (C) (ii) represents unutilised amount as on March 31, 2015 related to the objects disclosed in the prospectus dated May 22, 2012 and which are now proposed to be utilised for the new object approved by the Company's shareholders on November 27, 2015. ₹ 661 lacs was spent upto the date of approval out of the total spent of ₹ 1457 lacs.

17. 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 for all the employees in the Management cadre of the Company as required under Clause 49 (I) (D) of the erstwhile Listing Agreement and under Regulation 17 (5) of the Listing Regulations.

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, 2016.

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, 2016.

The Code of Conduct for Business and the Ethics and the Code for Independent Directors has been disclosed on the Company's website at 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.

18. Code for Prevention of Insider Trading

In compliance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 14, 2015 the Company had formulated and adopted the (i) "Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders"; and (ii) "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (SRL Code).

The Company Secretary is responsible for implementation of the Code.



Declaration as required under Regulation 34(3) read with Part D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I hereby declare that all the Directors and Senior Management Personnel have affirmed 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 March 31, 2016.

Place: Mumbai
Date: May 28, 2016

Anjan Chatterjee
Managing Director

CERTIFICATION BY MD/EXECUTIVE DIRECTOR – FINANCE & CFO

(Issued in accordance with the provisions of Regulation 17(8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)

**To,
The Board of Directors
Speciality Restaurants Limited**

- (A) We have reviewed the financial statements and the cash flow statement of Speciality Restaurants Limited for the year ended 31st March, 2016 and that to the best of our knowledge and belief;
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violative 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 for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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 the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year ended March 31, 2016
 - (2) Significant changes, if any, in accounting policies made during the year ended March 31, 2016 and that the same have been disclosed in the notes to the financial statements; and
 - (3) 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: 28th May, 2016



**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 (the “**Company**”) for the year ended on 31st March, 2016, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) pursuant to the Listing Agreement entered into thereunder by the Company with Stock Exchanges.

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 on 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 Chapter IV of Listing Regulations pursuant to the Listing Agreement entered into thereunder by the Company with Stock Exchanges.

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

(P. MAHESHWARI)
PARTNER
C.P. NO. 1432
F.C.S NO. 2405

Place: Mumbai
Date : 28th May, 2016.



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 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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 prescribed under section 133 of the Act, as applicable.

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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 March 2016, 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 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 prescribed under section 133 of the Act, as applicable.



- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) 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 in accordance with generally accepted accounting principles included in 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.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Mumbai
Date: 28 May 2016



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SPECIALITY RESTAURANTS LIMITED** (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: 28 May 2016



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. 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 such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated. The principal amount is presently not repayable. Repayments of interest have not been regular. However, an amount of Rs. 3.63 million of interest which was overdue for more than 90 days has been realised by the Company on 7 April 2016.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits.
6. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 Order is not applicable.
7. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
 - c. As at 31 March 2016 the following are the particulars of dues on account of Income-tax, Sales Tax, Value Added Tax, Excise and Service tax that have not been deposited on account of disputes:

| Name of the Statute | Nature of dues | Amount (Rs. in Millions) | 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 | Sales Tax Appellate Tribunal- Additional |
| Central Sales Tax Act 1956 | Sales Tax | 13.48 | 2008-12 | Joint Commissioner of Sales Tax (Appeal) |
| Maharashtra Value Added Tax 2002 | Value Added Tax | 6.51 | 2008-10& 2011-12 | Joint Commissioner of Sales Tax (Appeal) |
| Andhra Pradesh VAT Act 2005 | Value Added Tax | 5.44 | 2008-2015 | Appellate Deputy Commissioner |
| Central Excise Act, 1944 | Excise | 6.25 | 2008-15 | Deputy Commissioner- Excise |
| Finance Act, 1994 | Service Tax | 78.75 | 2012-15 | Commissioner Service Tax |



8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. There are no borrowings from debenture holders.
9. In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised or as per the purposes revised with the appropriate approvals, other than temporary deployment pending application of proceeds.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai
Date: 28 May 2016



Balance Sheet as at 31 March, 2016

₹ In Millions

| Particulars | Note No. | | As at 31 March, 2016 | | As at 31 March, 2015 |
|---|----------|----------|----------------------|----------|----------------------|
| A. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' funds | | | | | |
| (a) Share capital | 3 | | 469.58 | | 469.58 |
| (b) Reserves and surplus | 4 | | 2,609.26 | | 2,606.63 |
| (2) Non-current liabilities | | | | | |
| (a) Long-term borrowings | 5 | | 1.25 | | 3.00 |
| (3) Current liabilities | | | | | |
| (a) Trade payables | | | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 6 | | - | | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | | 374.24 | | 252.97 |
| (b) Other current liabilities | 7 | | 121.22 | | 161.63 |
| (c) Short-term provisions | 8 | | - | | 56.57 |
| Total | | | 3,575.55 | | 3,550.38 |
| B. Assets | | | | | |
| (1) Non-current assets | | | | | |
| (a) Fixed assets | | | | | |
| (i) Tangible assets | 9 | 1,321.21 | | 1,175.20 | |
| (ii) Intangible assets | | 24.59 | | 23.79 | |
| (iii) Capital work-in-progress | | 348.27 | 1,694.07 | 416.90 | 1,615.89 |
| (b) Non-current investments | 10 | | 9.05 | | 9.00 |
| (c) Deferred tax asset | 27 | | 160.13 | | 115.95 |
| (d) Long term loans and advances | 11 | | 681.25 | | 626.25 |
| (e) Other non-current assets | 12 | | 0.38 | | 0.15 |
| (2) Current assets | | | | | |
| (a) Current investments | 13 | | 703.78 | | 794.78 |
| (b) Inventories | 14 | | 71.06 | | 63.71 |
| (c) Trade receivables | 15 | | 37.27 | | 152.12 |
| (d) Cash and cash equivalents | 16 | | 54.65 | | 63.06 |
| (e) Short-term loans and advances | 11 | | 163.91 | | 109.47 |
| Total | | | 3,575.55 | | 3,550.38 |
| Significant accounting policies | 2 | | | | |
| The accompanying Notes 1 to 39 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

Avinash Kinhikar
Company Secretary & Legal Head

Place: Mumbai
Date: 28 May, 2016

Place: Mumbai
Date: 28 May, 2016



Statement of Profit and Loss for the year ended 31 March, 2016

₹ In Millions

| Particulars | Note No. | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|---|----------|--------------------------------------|--------------------------------------|
| I. Revenue from operations | 17 | 3,213.49 | 2,993.80 |
| II. Other income | 18 | 82.96 | 77.11 |
| III. Total revenue (I +II) | | 3,296.45 | 3,070.91 |
| IV. Expenses: | | | |
| Cost of materials consumed | 19 | 1,055.00 | 940.78 |
| Employee benefits expense | 20 | 831.66 | 719.56 |
| Finance costs | 21 | 0.46 | 0.81 |
| Depreciation/amortisation/impairment | 9 | 283.27 | 252.28 |
| Other expenses | 22 | 1,155.34 | 1,042.24 |
| Total expenses | | 3,325.73 | 2,955.67 |
| V. (Loss)/Profit before tax (III -IV) | | (29.28) | 115.24 |
| VI. Tax expense / (credit): | | | |
| (1) Current tax | 27 | 12.27 | 50.17 |
| (2) Deferred tax | | (44.18) | (29.45) |
| VII. Profit for the year (V - VI) | | 2.63 | 94.52 |
| VIII. Earnings per equity share (of ₹ 10/- each): | 29 | | |
| (1) Basic (in ₹) | | 0.06 | 2.01 |
| (2) Diluted (in ₹) | | 0.06 | 2.01 |
| Significant accounting policies | 2 | | |
| The accompanying Notes 1 to 39 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

Avinash Kinhikar

Company Secretary & Legal Head

Place: Mumbai

Date: 28 May, 2016

Place: Mumbai

Date: 28 May, 2016



Cash Flow Statement for the year ended 31 March, 2016

₹ In Millions

| PARTICULARS | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|--|--------------------------------------|--------------------------------------|
| Cash flow from Operating Activities | | |
| (Loss)/Profit before tax | (29.28) | 115.24 |
| Adjustments for: | | |
| Depreciation / Amortisation / Impairment | 283.27 | 252.28 |
| Profit on Sale of Fixed Assets | (4.08) | 0.13 |
| Profit on Sale of Investments | (15.48) | (2.39) |
| Finance costs | 0.46 | 0.81 |
| Interest from Banks/others | (8.78) | (6.33) |
| Dividend on current investments | (45.25) | (60.12) |
| Provision for Diminution in value of investments | - | 1.80 |
| Provision for doubtful debts & advances | 9.12 | 22.21 |
| Foreign Exchange Gain (net) | (0.80) | (0.02) |
| Excess credit balance written back (net) | (7.89) | (6.87) |
| Operating Profit before working capital changes | 181.29 | 316.74 |
| Adjustments for (increase)/decrease in operating assets | | |
| Inventories | (7.36) | (16.27) |
| Trade receivables | 78.28 | 25.85 |
| Short-term loans and advances | (47.65) | (24.69) |
| Long-term loans and advances | (52.74) | (95.97) |
| Other non current assets | (0.23) | 0.25 |
| Adjustments for increase/(decrease) in operating liabilities | | |
| Trade payables | 159.92 | (45.30) |
| Other current liabilities | (2.12) | 24.66 |
| Cash generated from operations | 309.39 | 185.27 |
| Net income tax paid | (44.86) | (74.69) |
| A. Net cash generated from operating activities (A) | 264.53 | 110.58 |
| B. Cash flow from Investing Activities | | |
| Capital expenditure on fixed assets | (379.53) | (489.11) |
| Proceeds from Sale of fixed assets | 8.81 | 1.04 |
| Purchase of current investments | (786.69) | (1,019.65) |
| Proceeds from sale of current investments | 887.44 | 1,325.84 |
| Proceeds from sale of subsidiary | 5.70 | - |
| Purchase of long-term investments | (0.04) | (0.01) |
| Loans given to staff | (18.35) | (22.79) |
| Loans repaid by staff | 21.37 | 22.91 |
| Interest received | 3.41 | 3.49 |
| Dividend received | 45.25 | 60.12 |
| Bank deposits placed | (1.08) | (0.06) |
| Increase in dividend account | (0.07) | - |
| B. Net cash used in Investing Activities (B) | (213.78) | (118.22) |
| C. Cash flow from Financing Activities | | |
| Proceeds from long-term borrowings | (3.28) | (3.95) |
| Finance costs | (0.46) | (0.81) |
| Dividend paid | (46.96) | (46.96) |
| Dividend tax paid | (9.61) | (7.98) |
| C. Net cash used in Financing Activities (C) | (60.31) | (59.70) |
| Net (decrease) in cash and cash equivalents (A+B+C) = (D) | (9.56) | (67.34) |
| Cash and cash equivalents at the beginning of the year (E) | 62.28 | 129.62 |
| Cash and cash equivalents at the end of the year (D) +(E) | 52.72 | 62.28 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet | | |
| Cash and bank balances (Note no. 16) | 54.65 | 63.06 |
| Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements: | | |
| In earmarked accounts | | |
| - Unpaid Dividend account | 0.13 | 0.06 |
| - Balances held as securities against bank guarantees | 1.80 | 0.72 |
| Cash and cash equivalents | 52.72 | 62.28 |

The accompanying Notes 1 to 39 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

Jyotin Mehta
Director

Avinash Kinshikar
Company Secretary & Legal Head

Anjan Chatterjee
Managing Director

Rajesh Kumar Mohta
Executive Director - Finance & Chief Financial Officer

Place: Mumbai
Date: 28 May, 2016

Place: Mumbai
Date: 28 May, 2016



NOTES TO THE 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.

Depreciation has been provided on WDV method. The estimated useful life which is in line with Schedule II to the Act is set out herein below.

| Asset | Useful life |
|---------------------|-------------|
| Computers | 3 - 6 years |
| Plant and Equipment | 15 years |
| Vehicles | 6 - 8 years |

The Company has assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation.

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

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.

Patents and 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 and related incidental expenses.

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 franchisee agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchisee 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 | 2015-2016 | | 2014-2015 | |
|--|-------------------|---------------|-------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| a. <u>Authorised</u> | | | | |
| Equity shares of the par value of ₹ 10 each | 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 |
| | 58,000,000 | 580.00 | 58,000,000 | 580.00 |
| b. <u>Issued & Subscribed</u> | | | | |
| Equity shares | | | | |
| Equity shares of ₹ 10 each fully paid up (Of the above shares 6,689,118 (Previous year - 6,689,118) equity shares are allotted as fully paid-up on Conversion of compulsorily convertible Preference shares) | 46,957,657 | 469.58 | 46,957,657 | 469.58 |
| (a) Reconciliation of number of shares outstanding at the beginning and end of the year : | | | | |
| Outstanding at the beginning and end of the year | 46,957,657 | | 46,957,657 | |
| (b) Rights, preferences and restrictions attached to equity shares | | | | |
| 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. | | | | |
| (c) Shares reserved for issue under options (Refer note 30) | 515,300 | | 515,300 | |



| Particulars | 2015-2016 | | 2014-2015 | |
|--|------------------|---------------|------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| (d) Shareholders holding more than 5% equity shares in the Company are set out below: | | | | |
| Anjan Chatterjee | | | | |
| No. of shares | 12,070,000 | | 12,070,000 | |
| % Holding | 25.70 | | 25.70 | |
| Suchhanda Chatterjee | | | | |
| No. of shares | 11,970,000 | | 11,970,000 | |
| % Holding | 25.49 | | 25.49 | |
| Saif III Mauritius Company Limited | | | | |
| No. of shares | 4,992,140 | | 4,997,640 | |
| % Holding | 10.63 | | 10.64 | |
| Saif Advisors Mauritius Limited | | | | |
| No. of shares | 3,877,964 | | 3,877,964 | |
| % Holding | 8.26 | | 8.26 | |
| Reliance Capital Trustee Co. Ltd | | | | |
| No. of shares | 2,527,663 | | 2,442,163 | |
| % Holding | 5.38 | | 5.20 | |
| | | 469.58 | | 469.58 |

4 Reserves & surplus

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|--|-----------------|-----------------|
| a. Capital reserve | | |
| As per last balance sheet | | |
| Money received against share warrants forfeited, option not exercised by warrant holders | 1.67 | 1.67 |
| b. Securities premium account | | |
| As at the end of the year | 1,626.50 | 1,626.50 |
| c. Surplus in the Statement of Profit and Loss | | |
| As at the beginning of the year | 978.46 | 941.44 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 ₹ Nil | - | 0.93 |
| (Previous year - net of deferred tax ₹ 0.48 Million) (Refer note 9 (3)) | | |
| Add: Net Profit for the year | 2.63 | 94.52 |
| Less: Appropriations: | | |
| Proposed Dividend on Equity shares - ₹ Nil (Previous year - Re. 1 per share) | - | 46.96 |
| Corporate Dividend Tax | - | 9.61 |
| As at the end of the year | 981.09 | 978.46 |
| | 2,609.26 | 2,606.63 |

5 Long-term borrowings

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---|-------------|-------------|
| Secured loans | | |
| Long term maturities of finance lease obligations | | |
| Car loans (Refer note 7 for current maturity details of the finance lease obligations) | 1.25 | 3.00 |
| 1) Details of security | | |
| Secured by a specific hypothecation charge on the assets purchased | | |
| The loans are repayable in equated monthly installments and carry interest rates in the range of 9%-13% | | |
| 2) Repayment terms | | |
| a) Monthly installments payable over a period of 36 - 60 months from respective loan disbursements | | |
| b) Maturity with respect to the Balance Sheet date : | | |
| 1-27 monthly installments due over the period April 16 - June 18 | | |
| | 1.25 | 3.00 |

6 Total outstanding dues of micro enterprises and small enterprises

Disclosures relating to amounts payable as at the year-end together with interest paid/payable to Micro and Small Enterprise have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|--|-----------|-----------|
| (i) Principal amount remaining unpaid as on year end | - | - |
| (ii) Interest due thereon remaining unpaid as on the end of the accounting year | - | - |
| (iii) Interest paid by the Company in term of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| (iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| (v) Interest accrued and remaining unpaid as on year end. | - | - |
| (vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |
| | - | - |

Note:

Dues to Micro and Small 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 | 2015-2016 | 2014-2015 |
|---|---------------|---------------|
| a. Current maturities of finance lease obligations (Refer note 5) | 1.71 | 3.24 |
| b. Income received in advance | 0.92 | 9.56 |
| c. Unpaid dividend | 0.13 | 0.06 |
| d. Other payables | | |
| (i) Statutory remittances | 40.09 | 36.99 |
| (ii) Payables on purchase of fixed assets | 33.51 | 70.28 |
| (iii) Payable on account of gratuity liability | 7.49 | 20.63 |
| (iv) Rent | 27.21 | 13.11 |
| (v) Credit balance of Debtors | 10.16 | 7.76 |
| | 121.22 | 161.63 |

8 Short term provisions

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---------------------------------|-----------|--------------|
| a. For proposed equity dividend | - | 46.96 |
| b. For tax on proposed dividend | - | 9.61 |
| | - | 56.57 |



Note 9 Fixed Assets

₹ In Millions

| PARTICULARS | Gross Block | | | Depreciation / Amortisation / Impairment | | | | | Net Block | | |
|---------------------------------------|----------------------------|---------------|--------------|--|----------------------------|---------------|-------------|--|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2015 | Additions | Deductions | Balance as at 31 March 2016 | Balance as at 1 April 2015 | For the year | Deductions | Transition adjustment recorded against the opening balance in the Statement of Profit and Loss | Balance as at 31 March 2016 | Balance as at 31 March 2016 | Balance as at 31 March 2015 |
| Tangible Assets | | | | | | | | | | | |
| <u>Land</u> | | | | | | | | | | | |
| - Freehold | 26.65 | - | - | 26.65 | - | - | - | - | - | 26.65 | 26.65 |
| | (26.65) | - | - | (26.65) | - | - | - | - | - | (26.65) | |
| - Leasehold | 51.92 | 37.85 | 3.41 | 86.36 | 3.70 | 0.53 | 0.24 | - | 3.99 | 82.37 | 48.22 |
| | (51.92) | - | - | (51.92) | (3.19) | (0.51) | - | - | (3.70) | (48.22) | |
| Leasehold Improvements (Refer note 2) | 841.65 | 225.75 | 12.09 | 1,055.31 | 288.78 | 126.19 | 7.02 | - | 407.95 | 647.36 | 552.87 |
| | (648.14) | (206.15) | (12.64) | (841.65) | (203.60) | (97.82) | (12.64) | - | (288.78) | (552.87) | |
| Plant and Equipment | 638.03 | 65.63 | 0.72 | 702.94 | 321.62 | 68.70 | 0.31 | - | 390.01 | 312.93 | 316.41 |
| | (547.35) | (92.47) | (1.79) | (638.03) | (252.76) | (69.06) | (1.03) | (0.83) | (321.62) | (316.41) | |
| Furniture and Fixtures | 550.27 | 89.49 | 0.64 | 639.12 | 345.80 | 67.77 | 0.17 | - | 413.40 | 225.72 | 204.47 |
| | (471.03) | (79.24) | - | (550.27) | (284.02) | (61.78) | - | - | (345.80) | (204.47) | |
| Computers | 57.79 | 5.30 | - | 63.09 | 50.40 | 5.07 | - | - | 55.47 | 7.62 | 7.39 |
| | (52.52) | (5.27) | - | (57.79) | (42.46) | (7.36) | - | (0.58) | (50.40) | (7.39) | |
| <u>Vehicles</u> | | | | | | | | | | | |
| Owned | 23.79 | 6.57 | 1.81 | 28.55 | 12.22 | 4.13 | 1.14 | - | 15.21 | 13.34 | 11.57 |
| | (22.46) | (3.20) | (1.87) | (23.79) | (9.05) | (4.64) | (1.47) | - | (12.22) | (11.57) | |
| Taken under finance lease | 13.27 | - | - | 13.27 | 5.65 | 2.40 | - | - | 8.05 | 5.22 | 7.62 |
| | (18.20) | (0.22) | (5.15) | (13.27) | (4.77) | (4.38) | (3.50) | - | (5.65) | (7.62) | |
| Tangibles Total (A) | 2,203.37 | 430.59 | 18.67 | 2,615.29 | 1,028.17 | 274.79 | 8.88 | - | 1,294.08 | 1,321.21 | 1,175.20 |
| | (1,838.27) | (386.55) | (21.45) | (2,203.37) | (799.85) | (245.55) | (18.64) | (1.41) | (1,028.17) | (1,175.20) | |
| Intangible Assets | | | | | | | | | | | |
| Software | 26.73 | 3.75 | - | 30.48 | 18.00 | 3.53 | - | - | 21.53 | 8.95 | 8.73 |
| | (23.85) | (2.88) | - | (26.73) | (14.91) | (3.09) | - | - | (18.00) | (8.73) | |
| Patents and Trademarks | 24.57 | 5.53 | - | 30.10 | 9.51 | 4.95 | - | - | 14.46 | 15.64 | 15.06 |
| | (16.68) | (7.89) | - | (24.57) | (5.87) | (3.64) | - | - | (9.51) | (15.06) | |
| Intangibles Total (B) | 51.30 | 9.28 | - | 60.58 | 27.51 | 8.48 | - | - | 35.99 | 24.59 | 23.79 |
| | (40.53) | (10.77) | - | (51.30) | (20.78) | (6.73) | - | - | (27.51) | (23.79) | |
| TOTAL (A+B) | 2,254.67 | 439.87 | 18.67 | 2,675.87 | 1,055.68 | 283.27 | 8.88 | - | 1,330.07 | 1,345.80 | 1,198.99 |
| Previous Year | (1,878.80) | (397.32) | (21.45) | (2,254.67) | (820.64) | (252.28) | (18.64) | (1.41) | (1,055.68) | (1,198.99) | |

Note: 1

Figures in parenthesis relate to the corresponding previous year figures.

Note: 2

Depreciation for the year includes impairment charge aggregating to ₹ 14.26 Million (Previous Year ₹ 7.07 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 assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation.

Consequent to the change in the estimated useful life of the assets, the depreciation expense in the Statement of Profit and Loss for the previous year was 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 ₹ 0.48 Million) in the previous year against the opening balance in the Statement of Profit and Loss under Reserves and Surplus.



10 Non current investments

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---|-------------|-------------|
| Investments (At cost) | | |
| Unquoted | | |
| A Trade investments | | |
| 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 Other investments | | |
| Investment in Government or Trust Securities (NSC - Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities) | 0.17 | 0.12 |
| | 9.05 | 9.00 |

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

₹ In Millions

| Particulars | Long term | | Short term | |
|---|---------------|---------------|---------------|---------------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| a. Capital advances | 39.22 | 62.64 | - | - |
| b. Security and other deposits - Premises and other deposits (See notes (i) & (ii) below) | 507.59 | 474.01 | 19.03 | 13.99 |
| c. Loan to Joint Venture Company Mainland China Restaurant (LLC) | 49.91 | 34.34 | 13.56 | - |
| d. Other loans and advances (See note (i) below) | | | | |
| Loans to employees | 16.29 | 20.31 | 10.72 | 9.73 |
| Advances to suppliers and others | 8.88 | 8.05 | 75.76 | 53.11 |
| Advance income tax (net of provision for tax ₹ 328.35 Million (As at 31 March 2015 ₹ 316.42 Million) | 64.15 | 31.56 | - | - |
| Balances with Government authorities | 1.78 | 1.78 | 14.17 | 11.26 |
| Prepayments and others | 1.33 | 1.19 | 30.67 | 21.38 |
| Less: Provision for doubtful loans and advances | 7.90 | 7.63 | - | - |
| | 84.53 | 55.26 | 131.32 | 95.48 |
| | 681.25 | 626.25 | 163.91 | 109.47 |

Note :

| | Long term | | Short term | |
|--|--------------|--------------|------------------|------------------|
| | 2015-2016 | 2014-2015 | 2015-2016 | 2014-2015 |
| (i) Considered Good | | | | |
| Loans to employees | 16.29 | 20.31 | 10.72 | 9.73 |
| Advance to Suppliers and others | 0.98 | 0.42 | 75.76 | 53.11 |
| Income Taxes (Net) | 64.15 | 31.56 | - | - |
| Balances with government authorities | 1.78 | 1.78 | 14.17 | 11.26 |
| Prepayments and others | 1.33 | 1.19 | 30.67 | 21.38 |
| Total | 84.53 | 55.26 | 131.32 | 95.48 |
| Considered Doubtful | | | | |
| Security and other deposits | - | - | 3.03 | 0.20 |
| Advance to Suppliers and others | 7.90 | 7.63 | - | - |
| Total | 7.90 | 7.63 | 3.03 | 0.20 |
| (ii) Premises and other deposits include amounts receivable from: | | | | |
| Particulars | | | 2015-2016 | 2014-2015 |
| Directors | | | | |
| Anjan Chatterjee | | | 1.50 | 1.50 |
| Suchhanda Chatterjee | | | 1.50 | 1.50 |
| Anjan Chatterjee (HUF) | | | 1.60 | 1.60 |
| Private Companies in which a director is a director or member | | | | |
| 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 | 2015-2016 | 2014-2015 |
|---|-------------|-------------|
| - Fixed deposits held as securities against bank guarantees | 0.38 | 0.15 |
| | 0.38 | 0.15 |

13 Current Investments

₹ In Millions

| Particulars | 2015-2016 | | | 2014-2015 | | |
|--|-----------|----------|--------|-----------|-------------|-------------|
| | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| A Investment in Equity Instruments | | | | | | |
| (5,100 Equity Shares of Love Sugar and Dough Pvt Ltd of ₹ 100 each, fully paid up) | - | - | - | - | 7.50 | 7.50 |
| Less: Provision for diminution on value | - | - | - | - | (1.80) | (1.80) |
| Total (A) | - | - | - | - | 5.70 | 5.70 |
| B Investment in Mutual Funds (At lower of cost and fair value) | | | | | | |
| Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend - Re-investment | - | 0.31 | 0.31 | - | 96.02 | 96.02 |
| 203 (As at 31 March, 2015 - 62,808) units of Rs. 1,000 each | | | | | | |
| Reliance Liquid Fund - Treasury Plan - Daily Dividend - Option | - | 30.17 | 30.17 | - | - | - |
| 19,733 (As at 31 March, 2015 - Nil) units of Rs. 1,000 each | | | | | | |
| Reliance Medium Term Fund- Daily Direct Dividend Plan | - | 90.23 | 90.23 | - | - | - |
| 5,282,745 (As at 31 March, 2015 - Nil) units of Rs. 1,000 each | | | | | | |
| Reliance Quarterly Interval Fund- Series II- Direct Dividend Plan | - | 50.00 | 50.00 | - | - | - |
| 4,990,617 (As at 31 March, 2015 - Nil) units of Rs. 1,000 each | | | | | | |
| Franklin India Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment | - | - | - | - | 74.12 | 74.12 |
| Nil (As at 31 March, 2015 - 7,138,018) units of Rs. 10 each | | | | | | |
| Franklin India Low Duration Fund - Monthly Dividend - Re-investment | - | - | - | - | 11.40 | 11.40 |
| Nil (As at 31 March, 2015 - 1,099,436) units of Rs. 10 each | | | | | | |
| Franklin India short term income - Retail Plan - Direct Plan - Monthly Dividend - Re-investment | - | - | - | - | 214.45 | 214.45 |
| Nil (As at 31 March, 2015 - 183,387) units of Rs. 1,000 each | | | | | | |
| Franklin India short term income Retail Plan - Monthly Dividend - Re-investment | - | - | - | - | 11.29 | 11.29 |
| Nil (As at 31 March, 2015 - 9,673) units of Rs. 1,000 each | | | | | | |
| UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (Formerly Daily Dividend Re-investment) | - | - | - | - | 0.11 | 0.11 |
| Nil (As at 31 March, 2015 - 100) units of Rs. 1,000 each | | | | | | |
| Birla Sun Life Floating Rate Long Term Fund - Regular Plan -Daily Dividend Re-investment | - | 120.82 | 120.82 | - | 114.41 | 114.41 |
| 1,205,732 (As at 31 March, 2015 - 1,141,916) units of Rs. 100 each | | | | | | |
| ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Daily Dividend - Re-investment | - | - | - | - | 12.53 | 12.53 |
| Nil (As at 31 March, 2015 - 1,220,087) units of Rs. 10 each | | | | | | |
| ICICI Prudential Short Term Plan-Monthly Dividend Re-investment | - | 5.19 | 5.19 | - | - | - |
| 428,776 (As at 31 March, 2015 - Nil) units of Rs. 10 each | | | | | | |
| Birla Sun Life Saving Fund - Direct Plan -Daily Dividend Re-investment | - | 51.65 | 51.65 | - | - | - |
| 514,936 (As at 31 March, 2015 - Nil) units of Rs. 100 each | | | | | | |
| HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Dividend Re-investment | - | 10.76 | 10.76 | - | 10.17 | 10.17 |
| 1,067,198 (As at 31 March, 2015 - 1,008,502) units of Rs. 10 each | | | | | | |
| SBI Ultra Short Term Debt Fund- Direct Plan Daily Dividend | - | 68.45 | 68.45 | - | - | - |
| 68,106 (As at 31 March, 2015 - Nil) units of Rs. 1,000 each | | | | | | |
| ICICI Prudential Flexible Income Fund - Direct Plan - Daily Dividend - Re-investment | - | - | - | - | 40.61 | 40.61 |
| Nil (As at 31 March, 2015 - 384,051) units of Rs. 100 each | | | | | | |



| Particulars | 2015-2016 | | | 2014-2015 | | |
|---|-----------|---------------|---------------|-----------|---------------|---------------|
| | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| HDFC Liquid Fund - Direct Plan - Daily Dividend - Re-investment Nil (As at 31 March, 2015 - 654,078) units of Rs. 10 each | - | - | - | - | 6.67 | 6.67 |
| UTI Treasury Advantage Fund - Institutional plan - Direct Plan - Daily Dividend - Re-investment 58,693 (As at 31 March, 2015 - 40,685) units of Rs. 1,000 each | - | 58.83 | 58.83 | - | 40.78 | 40.78 |
| Axis Treasury Advantage Fund - Direct Plan - Daily Dividend - Re-investment 31,460 (As at 31 March, 2015 - 11,694) units of Rs. 1,000 each | - | 31.61 | 31.61 | - | 11.75 | 11.75 |
| Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend - Re-investment Nil (As at 31 March, 2015 - 80,949) units of Rs. 10 each | - | - | - | - | 0.82 | 0.82 |
| Kotak Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment 21,557 (As at 31 March, 2015 - Nil) units of Rs. 10 each | - | 22.34 | 22.34 | - | - | - |
| Kotak Low Duration Fund Standard - Regular Plan - Monthly Dividend 40,382 (As at 31 March, 2015 - Nil) units of Rs. 10 each | - | 41.26 | 41.26 | - | - | - |
| Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend 4,153,429 (As at 31 March, 2015 - Nil) units of Rs. 10 each | - | 41.87 | 41.87 | - | - | - |
| HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment 1,066,405 (As at 31 March, 2015 - 1,008,422) units of Rs. 10 each | - | 10.75 | 10.75 | - | 10.17 | 10.17 |
| ICICI Prudential Short Term Plan - Direct - Monthly Dividend Re-investment 5,662,596 (As at 31 March, 2015 - 10,892,884) units of Rs. 10 each | - | 69.54 | 69.54 | - | 133.78 | 133.78 |
| Total Book Value (B) | - | 703.78 | 703.78 | - | 789.08 | 789.08 |
| Note: Aggregate amount of unquoted investments | - | 703.78 | - | - | 789.08 | - |
| Market Value of quoted investments | - | - | - | - | - | - |
| Total (A+B) | - | 703.78 | 703.78 | - | 794.78 | 794.78 |

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

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---------------------------------------|--------------|--------------|
| <u>Inventories</u> | | |
| Food and beverage materials | 65.77 | 54.62 |
| Cutlery, crockery & other consumables | 4.70 | 5.98 |
| Stock in transit | 0.59 | 3.11 |
| | 71.06 | 63.71 |

15 Trade receivables (Unsecured)

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|--|--------------|---------------|
| Outstanding for a period exceeding six months from the due date of payment | | |
| - Considered good | 2.58 | 60.61 |
| - Considered doubtful | 55.61 | 53.10 |
| Others | | |
| - Considered good | 34.69 | 91.51 |
| - Considered doubtful | - | - |
| | 92.88 | 205.22 |
| Less: Provision for doubtful trade receivables | 55.61 | 53.10 |
| | 37.27 | 152.12 |



16 Cash and cash equivalents

₹ In Millions

| Particulars | For the year ended | |
|--|--------------------|--------------|
| | 2015-2016 | 2014-2015 |
| A. Cash and cash equivalents (as per AS 3 Cash Flow Statement) | | |
| a. Cash on Hand | 3.63 | 3.96 |
| b. Balances with Banks: | | |
| In Current Accounts | 9.86 | 13.33 |
| In Fixed Deposit accounts (Refer note 1 below) | 39.23 | 44.99 |
| Total cash and cash equivalents (as per AS 3 Cash Flow Statement) (A) | 52.72 | 62.28 |
| B. Other bank balances | | |
| a. In earmarked accounts | | |
| - Unpaid dividend account | 0.13 | 0.06 |
| - Balances held as securities against bank guarantees | 1.80 | 0.72 |
| Total other bank balances (B) | 1.93 | 0.78 |
| Total (A + B) | 54.65 | 63.06 |

Note:

- 1) Balances with banks include fixed deposits aggregating ₹ Nil (As at 31 March, 2015 - ₹ 1.43 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 | |
|---|--------------------|-----------------|
| | 2015-2016 | 2014-2015 |
| Sale of services | | |
| a. Income from sale of food and beverages | 3,160.04 | 2,903.88 |
| b. <u>Franchise income</u> | | |
| - Initial access premium | 2.50 | 39.14 |
| - Royalty and management fees | 49.49 | 49.69 |
| c. <u>Other Operating revenue</u> | | |
| Sale of scrap | 1.46 | 1.09 |
| | 3,213.49 | 2,993.80 |

18 Other income

₹ In Millions

| Particulars | For the year ended | |
|---|--------------------|--------------|
| | 2015-2016 | 2014-2015 |
| <u>Interest received from banks/others</u> | | |
| - Interest from banks on fixed deposits | 1.90 | 2.05 |
| - Other interest | 6.88 | 4.28 |
| Profit on sale of fixed assets | 4.08 | - |
| Dividend on mutual funds | 45.25 | 60.12 |
| Profit on sale of current investments (Net) | 15.45 | 2.39 |
| Foreign exchange gain (Net) | 0.63 | 1.04 |
| Excess credit balances written back (Net) | 7.89 | 6.87 |
| Miscellaneous income | 0.88 | 0.36 |
| | 82.96 | 77.11 |

19 Cost of materials consumed

₹ In Millions

| Particulars | For the year ended | |
|------------------------|--------------------|---------------|
| | 2015-2016 | 2014-2015 |
| Food, Beverages | | |
| Opening stock | 57.73 | 47.43 |
| Add: Purchases | 1,063.63 | 951.08 |
| | 1,121.36 | 998.51 |
| Less: Closing stock | 66.36 | 57.73 |
| | 1,055.00 | 940.78 |



20 Employee benefits expense

₹ In Millions

| Particulars | For the year ended | |
|---|--------------------|---------------|
| | 2015-2016 | 2014-2015 |
| Salaries, bonus and allowances | 699.01 | 582.31 |
| Contribution to provident and other funds | 47.84 | 51.78 |
| Staff welfare expenses | 84.81 | 85.47 |
| | 831.66 | 719.56 |

Note: Employee benefits

a. Defined contribution plan:

₹ In Millions

| Particulars | For the year ended | |
|---|--------------------|-----------|
| | 2015-2016 | 2014-2015 |
| Company's contribution to provident and other funds | 40.36 | 31.15 |

b. Defined benefit plans:

₹ In Millions

| Particulars | Gratuity | |
|---|--------------------|--------------|
| | For the year ended | |
| | 2015-2016 | 2014-2015 |
| a) Liability recognised in the balance sheet | | |
| Present value of obligation | | |
| As at the beginning of the year | 54.25 | 34.77 |
| Service cost | 12.50 | 8.41 |
| Interest cost | 5.06 | 3.82 |
| Actuarial (gain)/loss on obligation | (7.00) | 11.27 |
| Benefits paid | (5.53) | (4.02) |
| As at the end of the year | 59.28 | 54.25 |
| Less: fair value of plan assets | | |
| Opening fair value of plan assets | 33.62 | 33.24 |
| Expected return on plan assets | 3.74 | 2.92 |
| Actuarial gain | (0.67) | (0.05) |
| Contribution by employer | 20.63 | 1.53 |
| Benefits paid | (5.53) | (4.02) |
| Closing fair value of plan assets | 51.79 | 33.62 |
| Net liability | 7.49 | 20.63 |
| b) Expense during the year | | |
| Service cost | 12.50 | 8.41 |
| Interest cost | 5.06 | 3.82 |
| Expected return on plan assets | (3.74) | (2.92) |
| Actuarial (gain) / loss | (6.34) | 11.32 |
| Total | 7.49 | 20.63 |
| c) Breakup of plan assets as a percentage of total plan assets | | |
| Insurer managed funds | 100% | 100% |
| d) Expected rate of return on plan assets | | |
| Insurer managed funds | 8.00% | 9.15% |
| e) Principal assumptions | | |
| Discount rate | 7.75% | 7.95% |
| Salary escalation | 6% | 6% |
| <u>Attrition rate</u> | | |
| From age bracket 21 to 57 years | 1% - 15% | 1% - 15% |

The Company expects to contribute ₹ 7.49 Million (previous year ₹ 20.63 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.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.



Other Disclosures:

₹ In Millions

| Particulars | As at | 31-Mar-16 | 31-Mar-15 | 31-Mar-14 | 31-Mar-13 | 31-Mar-12 |
|--|-------|-----------|-----------|-----------|-----------|-----------|
| Defined Benefit Obligation | | 59.28 | 54.25 | 34.77 | 33.66 | 24.00 |
| Plan Assets | | 51.79 | 33.62 | 33.24 | 24.21 | 12.52 |
| Deficit | | (7.49) | (20.63) | (1.53) | (9.45) | (11.48) |
| Experience Adjustments on Plan Liabilities | | (8.09) | 5.20 | (2.95) | 0.99 | (3.54) |
| Experience Adjustments on Plan Assets | | (0.67) | (0.05) | (0.42) | 0.32 | (0.11) |

21 Finance Costs

₹ In Millions

| Particulars | For the year ended | |
|---------------------------------------|--------------------|-------------|
| | 2015-2016 | 2014-2015 |
| Interest on finance lease obligations | 0.46 | 0.81 |
| | 0.46 | 0.81 |

22 Other expenses

₹ In Millions

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | 2015-2016 | 2014-2015 |
| Rent (Refer note 25) | 482.86 | 435.91 |
| Power and fuel | 189.09 | 168.16 |
| Rates, taxes and licence fee | 68.96 | 54.72 |
| Operating supplies | 83.37 | 79.67 |
| Insurance | 3.11 | 2.59 |
| Advertisement and marketing expenses (net of recoveries) | 33.61 | 22.08 |
| Payment to auditors (Refer note 1 below) | 5.62 | 3.96 |
| Repairs and maintenance - Machinery | 25.11 | 22.10 |
| Repairs and maintenance - Building | 74.47 | 58.21 |
| Repairs and maintenance - Others | 41.69 | 31.89 |
| Expenditure on corporate social responsibility (Refer note 38) | 0.55 | 0.55 |
| Donation (Refer note 2 below) | - | 1.00 |
| Provision for diminution in value of investments | - | 1.80 |
| Miscellaneous expenses | 146.90 | 159.60 |
| | 1,155.34 | 1,042.24 |
| Note 1: | | |
| <u>Payment to the auditors comprises:</u> | | |
| As auditor - statutory audit | 3.55 | 3.14 |
| For tax audit | 0.40 | 0.40 |
| For other services | 1.59 | 0.40 |
| For out of pocket expenses | 0.08 | 0.02 |
| | 5.62 | 3.96 |
| Note 2: | | |
| Donation given to Shiv Sena Madhyavarthi Karyalaya ₹ Nil (Previous year ₹ 1 Million) | | |

23 Contingent liabilities and commitments (To the extent not provided for)

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---|---------------|---------------|
| <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 | 44.68 | 22.92 |
| c. Excise demands | 6.25 | - |
| d. Income tax demands | 26.40 | 26.40 |
| e. Service tax demands | 78.75 | - |
| | 323.26 | 216.50 |
| 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) | 48.08 | 88.97 |
| | 48.08 | 88.97 |

24 Derivative instruments

There are no outstanding forward contracts as at 31 March, 2016 and 31 March, 2015.

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

| Particulars | 2015-2016 | 2014-2015 |
|---|--------------------|--------------------|
| Amounts receivable in foreign currency on account of the following: | | |
| <u>Amount In Foreign Currency</u> | | |
| Royalty and Management fees receivable | USD 167,646 | USD 188,396 |
| Reimbursement of Expenses | USD 33,319 | USD 33,180 |
| | USD 200,965 | USD 221,576 |
| <u>Amount in INR (In Millions)</u> | | |
| Royalty and Management fees receivable | 11.72 | 12.64 |
| Reimbursement of Expenses | 2.00 | 2.00 |
| | 13.72 | 14.64 |
| Amounts payable in foreign currency on account of the following: | | |
| <u>Amount In Foreign Currency</u> | | |
| Trademark and registration fees | USD 27,094 | USD 37,019 |
| | - | CND 1,265 |
| | POUND 3,223 | POUND 3,223 |
| | YEN 222,400 | YEN 244,140 |
| | SGD 817 | SGD 817 |
| | AD 4,357 | AD 8,109 |
| <u>Amount In INR (In Millions)</u> | | |
| Trademark and registration fees | 2.50 | 3.17 |
| | 2.50 | 3.17 |

25 Disclosures in respect of Operating leases

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

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---|---------------|---------------|
| Payable not later than one year | 107.28 | 103.14 |
| Payable later than one year but not later than five years | 93.22 | 92.24 |
| Payable later than five years | - | - |
| | 200.50 | 195.38 |

b) Lease payments recognised in the Statement of Profit and Loss for the year ended 31 March, 2016 are as under:

Fixed lease rentals – ₹ 415.36 Million (Previous Year ₹ 367.65 Million)

Contingent rent – ₹ 67.50 Million (Previous Year ₹ 68.26 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:

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|--|-------------|-------------|
| <u>Due not Later than one year</u> | | |
| Total future minimum lease payments | 1.89 | 3.70 |
| Less: Finance charge on future lease payments | 0.18 | 0.46 |
| Present value of lease payments | 1.71 | 3.24 |
| <u>Due later than one year but not later than five years</u> | | |
| Total future minimum lease payments | 1.33 | 3.26 |
| Less: Finance charge on future lease payments | 0.08 | 0.26 |
| Present value of lease payments | 1.25 | 3.00 |

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

27 Taxation

a. Current Tax comprises of:

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|----------------------------|--------------|--------------|
| Income Tax of Current year | 12.27 | 50.17 |
| | 12.27 | 50.17 |

b. Components of Deferred tax asset

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---|---------------|---------------|
| Deferred tax asset | | |
| On differences between book balance and tax balance of fixed assets | 121.96 | 90.78 |
| Disallowances under Section 40 (a)(i) of the Income Tax Act, 1961 | 15.14 | 4.46 |
| Provision for doubtful debts / advances / others | 23.03 | 20.71 |
| Total | 160.13 | 115.95 |
| Deferred tax asset | 160.13 | 115.95 |

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 Avik Chatterjee (Appointed from 7 November, 2015) |
| 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 | Subsidiary | Love Sugar and Dough Private Limited (Ceased to be the Subsidiary with effect from 3 August, 2015) |
| 4 | Jointly controlled entity | Mainland China Restaurant (LLC) |

| Nature of the transaction | Key Management personnel | Enterprises over which directors or relatives of directors exercise control / significant influence | Subsidiary | Jointly controlled entity | Total |
|---|--------------------------|---|------------|---------------------------|----------------|
| Transactions during the year ended 31 March 2016 | | | | | |
| Interest Income | | | | | |
| Mainland China Restaurant (LLC) | - | - | - | 4.03 | 4.03 |
| | - | - | - | (1.00) | (1.00) |
| Total | - | - | - | 4.03 | 4.03 |
| | - | - | - | (1.00) | (1.00) |
| Remuneration | | | | | |
| 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) |
| Mr. Avik Chatterjee | 0.24 | - | - | - | 0.24 |
| | - | - | - | - | - |
| Total | 10.44 | - | - | - | 10.44 |
| | (10.20) | - | - | - | (10.20) |
| Rent and other expenses paid | | | | | |
| Situations Advertising & Marketing Services Private Limited | | | | | |
| - Rent | - | 35.86 | - | - | 35.86 |
| | - | (34.21) | - | - | (34.21) |
| - Retainership Fees | - | 1.20 | - | - | 1.20 |
| | - | (1.20) | - | - | (1.20) |
| - Advertisement Expenses | - | 7.01 | - | - | 7.01 |
| | - | (6.96) | - | - | (6.96) |
| - Reimbursement of Expenses | - | 5.23 | - | - | 5.23 |
| | - | (5.54) | - | - | (5.54) |
| Mainland China Restaurant (LLC) | - | - | - | 5.74 | 5.74 |
| - Reimbursement of Expenses | - | - | - | (15.55) | (15.55) |
| Others | 3.09 | 12.41 | - | - | 15.50 |
| | (3.09) | (14.21) | - | - | (17.30) |
| Total | 3.09 | 61.71 | - | 5.74 | 70.54 |
| | (3.09) | (62.12) | - | (15.55) | (80.76) |
| Loan given to Joint Venture Company | | | | | |
| Mainland China Restaurant (LLC) | - | - | - | 28.48 | 28.48 |
| | - | - | - | (34.34) | (34.34) |
| Total | - | - | - | 28.48 | 28.48 |
| | - | - | - | (34.34) | (34.34) |
| Balance as at 31 March 2016 | | | | | |
| Other payables | | | | | |
| Situations Advertising & Marketing Services Private Limited | - | 6.74 | - | - | 6.74 |
| | - | (7.74) | - | - | (7.74) |
| Shruthi Hotels Enterprises Private Limited | - | 1.33 | - | - | 1.33 |
| | - | (2.12) | - | - | (2.12) |
| 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) |
| Total | 1.48 | 11.14 | - | - | 12.62 |
| | (1.48) | (12.93) | - | - | (14.41) |



| Nature of the transaction | Key Management personnel | Enterprises over which directors or relatives of directors exercise control / significant influence | Subsidiary | Jointly controlled entity | Total |
|---|--------------------------|---|---------------|---------------------------|----------------|
| Security deposits | | | | | |
| Situations Advertising & Marketing Services Private Limited | - | 50.00 | - | - | 50.00 |
| | - | (50.00) | - | - | (50.00) |
| Prosperous Promoters Private Limited | - | 28.11 | - | - | 28.11 |
| | - | (28.11) | - | - | (28.11) |
| Others | 3.00 | 9.10 | - | - | 12.10 |
| | (3.00) | (9.10) | - | - | (12.10) |
| Total | 3.00 | 87.21 | - | - | 90.21 |
| | (3.00) | (87.21) | - | - | (90.21) |
| Advance to Joint Venture Company | | | | | |
| Mainland China Restaurant (LLC) | - | - | - | 8.35 | 8.35 |
| | - | - | - | (7.14) | (7.14) |
| Total | - | - | - | 8.35 | 8.35 |
| | - | - | - | (7.14) | (7.14) |
| Investment in Subsidiary Company | | | | | |
| Love Sugar and Dough Private Limited | - | - | - | - | - |
| | - | - | (7.50) | - | (7.50) |
| Total | - | - | - | - | - |
| | - | - | (7.50) | - | (7.50) |
| Provision for diminution in Investment | | | | | |
| Love Sugar and Dough Private Limited | - | - | - | - | - |
| | - | - | (1.80) | - | (1.80) |
| Total | - | - | - | - | - |
| | - | - | (1.80) | - | (1.80) |
| Loan give to Joint Venture Company | | | | | |
| Mainland China Restaurant (LLC) | - | - | - | 62.82 | 62.82 |
| | - | - | - | (34.34) | (34.34) |
| Total | - | - | - | 62.82 | 62.82 |
| | - | - | - | (34.34) | (34.34) |
| Investment in Joint Venture Company | | | | | |
| Mainland China Restaurant (LLC) | - | - | - | 8.88 | 8.88 |
| | - | - | - | (8.88) | (8.88) |
| Total | - | - | - | 8.88 | 8.88 |
| | - | - | - | (8.88) | (8.88) |

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, 2015 in relation to the Balance Sheet

29 Earnings per Share

₹ In Millions (except as stated otherwise)

| Particulars | 2015-2016 | 2014-2015 |
|--|-----------|-----------|
| Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS | 2.63 | 94.52 |
| Weighted Average Number of Equity Shares for Basic Earnings per share | 46.96 | 46.96 |
| Add: Effect of ESOP's | - | 0.15 |
| Weighted Average Number of Equity Shares for Diluted Earnings per share | 46.96 | 47.11 |
| Basic Earnings Per Share (in ₹) | 0.06 | 2.01 |
| Diluted Earnings Per Share (in ₹) | 0.06 | 2.01 |
| 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.

b) **Shares reserved for issue under ESOP**

| Particulars | 2015-2016 | 2014-2015 |
|---|-----------|-----------|
| 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, 2016 | | During the year ended 31 March, 2015 | |
|---|---|--|---|--|
| | 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 | 515,300 | 126.20 |
| Granted during the year: | - | - | - | - |
| Vested during the year: | 128,825 | 126.20 | 128,825 | 126.20 |
| Exercised during the year: | - | - | - | - |
| Lapsed during the year: | - | - | - | - |
| 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, 2016 is 2.94 year (As at 31 March, 2015 3.94 year).

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, 2016 | For the year ended 31 March, 2015 |
|--|--------------------------------------|--------------------------------------|
| Profit as reported | 2.63 | 94.52 |
| Add / (Less): stock based employee compensation (intrinsic value) | - | - |
| Add / (Less): stock based compensation expenses determined under fair value method for the grants issued | (6.31) | (6.29) |
| Net Profit (proforma) | (3.68) | 88.23 |
| Basic earnings per share (as reported) (in ₹) | 0.06 | 2.01 |
| Basic earnings per share (proforma) (in ₹) | (0.08) | 1.88 |
| Diluted earnings per share (as reported) (in ₹) | 0.06 | 2.01 |
| Diluted earnings per share (proforma) (in ₹) | (0.08) | 1.87 |

31 Earnings in Foreign Currency

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|-----------------------------|-------------|-------------|
| Royalty and Management Fees | 3.60 | 0.77 |
| Other Fees | - | 3.29 |
| Total | 3.60 | 4.06 |

32 Expenditure in Foreign Currency

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---------------------------------|-------------|-------------|
| Legal and Professional Fees | 0.89 | 0.85 |
| Travelling and Conveyance | 0.31 | 1.41 |
| Trademark and registration fees | 3.45 | 6.03 |
| Total | 4.65 | 8.29 |



33 Value of Imported Goods on CIF basis

₹ In Millions

| Particulars | 2015-2016 | 2014-2015 |
|---------------|-----------|-----------|
| Capital Goods | 1.60 | 9.54 |

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:

₹ In Millions

| Name | Amount of interest based on accounts for the year ended 31 March, 2016 | | | | | | |
|---|--|---------|-------------|--------|-------------|------------------------|---------------------|
| | % of Interest | Assets | Liabilities | Income | Expenditure | Contingent liabilities | Capital commitments |
| Mainland China Restaurant (LLC) Doha (Qatar) | 49% | 87.02 | 55.50 | - | 29.93 | - | - |
| | | (83.76) | (53.26) | (Nil) | (11.91) | (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, 2016, Fixed Assets (Capital Work In Progress) include ₹ 224.57 Million (segment assets) (As at 31 March, 2015, ₹ 197.29 Million) related to non-reportable segments.

There is only one Geographical segment i.e. India.

36 Utilisation of IPO Proceeds as on 31 March, 2016

The Company had issued equity shares pursuant to its IPO in 2011-12 amounting to ₹ 1,760.91 Million for the purposes of development of new restaurants and a food plaza, repayment of term loans and general corporate purposes. As at 31 March, 2016, an amount aggregating ₹ 1,144.5 Million (Previous year ₹ 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 ₹ 432.8 Million (Previous year ₹ 578.50 Million) is intended to be utilised in future periods. The shareholders on 27 November, 2015 passed a special resolution by postal ballot to utilise the balance unutilised amount as on 31 March, 2015 for the revised object - development of new restaurants/ conversion of existing restaurants. The unutilised amount has temporarily been invested by the Company in mutual funds and term deposits with banks.

37 Details of consumption of imported and indigenous items

| Particulars | 2015-2016 | |
|---|---------------|--------|
| | ₹ In Millions | % |
| Raw materials | | |
| Imported | 19.79 | 1.88% |
| | (2.12) | 0.23% |
| Indigenous | 1,035.22 | 98.12% |
| | (938.66) | 99.77% |
| Note: Figures in parenthesis relate to the corresponding previous year figures. | | |

38 Details of Corporate Social Responsibility (CSR) expenditure

(a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof - ₹ 0.55 Million (Previous year ₹ 0.55 Million)

(b) Gross amount required to be spent during the period - ₹ 4.45 Million (Previous year ₹ 5.32 Million).

39 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

Avinash Kinshikar
Company Secretary & Legal Head

Place: Mumbai
Date: 28 May, 2016





SPECIALITY

RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED

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