

ANNUAL REPORT 2013



SPECIALITY
RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED



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Our Mission

2012-13



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

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

Chairman's Message

We are delighted to share with you the news that your company fared profitably in the financial year 2012-13 even in the midst of rough macroeconomic headwinds and intensifying competition, thanks to a visionary foundation and strong business model, both of which kept us poised to seize the attractive growth opportunities that came our way.

Your company has stayed focused on building on our strengths even while facing down challenging conditions in the market and economic environment.

Fortunately, we have not had to scout for new growth paths; enormous opportunities have beckoned. Our proven and powerful brands, backed by a capable high-performance organization determined to rapidly expand its presence, have been like magnets. Your company ended the year with 82 restaurants and 14 confectionaries (including franchisees) across India. During the year, the company opened 14 restaurants including ten Mainland China, one Oh! Calcutta, one Machaan and two Sigree / Sigree Global Grill.

Our total income stood at Rs. 23,608 lakhs, up 18.7%, while EBIDTA at Rs. 4,591 lakhs was up by 14.2%. We recorded a profit after tax of Rs. 2,341 lakhs, up 35.8%.

We believe that improving restaurant operations and enhancing the customer experience are key to increasing our profitability. We have established a research-based marketing process which is focused on driving restaurant sales and traffic while targeting a broader consumer base with more inclusive offerings across age groups.

Mainland China, our flagship brand, continues to receive our wholehearted attention as we look towards domestic and international expansion. We have launched Mezzuna and Sigree Global Grill in all-day dining formats. While offering more cuisines to a wider audience, we remain focused on our major revenue contributor while continuing our efforts to establish and enhance market share in other categories and dining formats.

At the core of our identity is the philosophy of five-star products at non-five star prices.

While we have not changed our brand positioning, our menu certainly has evolved and fine-tuned over the years in sensitivity to our guests' needs.





Responding to the current conditions in the market and the economy, we have adopted a multi-pronged approach in which in addition to adding to the number of restaurants under development, we are continuing to innovate through menu, marketing and operational initiatives.

Focusing on our core growth markets and building critical mass is one of our visible strengths. We have delivered on our expansion plans, and are focusing our efforts on our most developed growth markets where we already have a strong footprint. Our menu is always evolving as we leverage our research and development capabilities to respond to market trends and the needs of our guests. Menu innovation is the norm, among the best in our industry worldwide and we have strived to maintain this standard.

We have a two-decade-long track record of same-store sales growth. In recent years, challenging economic conditions have led to weakened consumer confidence and intensified competition. Our response has been to invest in further improving the guest experience, a strategy that has helped sustain our positive same-store sales record.

Recent research commissioned by your company revealed that Speciality Restaurants and especially Mainland China has huge brand equity amongst the Indian diaspora settled abroad. Spurred by this, we have been actively evaluating overseas markets.

We believe that there is a brilliant future awaiting Speciality Restaurants wherever there exist Indian diaspora with a discernible footfall.

We also believe that once this revenue stream starts kicking in and our efforts fructify, we will be able to generate a great deal more because the average checks internationally tend to be high, with the promise of good returns on the investment of any capital. Fine dining is greatly evolved in the international stage where we hope to carve a niche for ourselves. The process is meticulous and requires careful groundwork. Results should not be expected overnight or in the short term, but there is the certainty that when they do come, they will be durable and significant.

With an operations strategy designed to drive best-in-class restaurant operations and improve friendliness, cleanliness, speed of service and overall guest satisfaction, we drive long-term growth. We have uniform operating standards and specifications related to the selection of menu items, maintenance and cleanliness of the premises and employee conduct. We closely supervise the operation of all of our company restaurants to ensure that standards and policies are followed consistently. We require all our restaurants to complete initial and ongoing training programs provided by us.

Given the global economic turbulence the world over, we expect the operating environment in the year ahead to continue to be volatile, even as we notice the early signs of a modest economic recovery. We remain strategically focused on things that are within our control in this environment and raising the industry standards as we respond to our guests' needs.

Following a disciplined and comprehensive process, we have implemented a new, streamlined organizational structure to allow for more efficient, scalable growth in the future.

This process was not easy but in the end, it was the dedication of our employees which made the journey possible. We also wish to extend our gratitude to all our stakeholders who have reposed their faith and confidence in our judgment.

We remain confident in our future, given your company's overall strategies, its strong leadership and talented employees who are delivering high quality to thousands of our guests every day. We remain, now and tomorrow, at your service.



Susim Mukul Datta
Chairman





FY 2012-13 Status Report Card

Brand	Total **	Cities
Mainland China	47	25 cities in India and one in Dhaka, Bangladesh
Oh! Calcutta	9	Mumbai, Kolkata, Delhi, Pune, Bengaluru and one in Dhaka, Bangladesh
Sigree / Sigree Global Grill	7	Pune, Chennai, Kolkata, Mumbai and Hyderabad
Haka	3	Kolkata and Bhubaneswar
Machaan	6	Mumbai, Kolkata, Guwahati, Nashik, Surat & Howrah
Flame & Grill	7	Bengaluru, Hyderabad, Nashik, Ludhiana, Aurangabad and Kolkata
Kix	1	Kolkata
Kibbeh	1	Hyderabad
Shack	1	Kolkata
Sub-total	82	
Sweet Bengal (Confectionary)	14	Mumbai
Total	96	

59 Company owned and operated restaurants, 23* Franchisee* and 14 confectionary outlets spread across 25 cities in India and one city in Bangladesh**

** This includes franchisee restaurants located in Dhaka, Bangladesh;*

*** Data as on March 31st, 2013*

**** Franchisee Restaurant: Franchisee Owned, Company operated restaurant*

Our Brands

MAINLAND CHINA



Mainland China

This flagship brand of Speciality Restaurants grew in FY 2012-13 to 47 restaurants across 25 cities in India and 1 in Bangladesh. Mainland China continues to be the growth driver contributing to 62% of the revenues. The average churn has been 1.5 for the year. Research by external agencies has shown that it is one of the most sought after brands in Dubai amongst the Indian population, and another international foray is on the cards for this brand.

Oh! Calcutta



Oh! Calcutta

Launched in 1992 as Only Fish, it was rebranded as Oh! Calcutta and has 9 branches today. While the cuisine is mostly Bengali, it has evinced interest from a broader audience.

sigree

GLOBAL GRILL



Sigree Global Grill

A new concept in dining, this addition to the group's portfolio Sigree Global Grill has opened its first outlet in Powai. The menu features a melange of fresh, grilled flavours from all around the world like Mediterranean, Oriental, Spanish, Mexican and Indian cuisine, with live grills on each table. Sigree Global Grill will have a display kitchen and interactive cooking with skilful displays by Master Chefs. This is also an all-day dining restaurant and our smaller brands like Machaan are expected to be merged with this.

MEZZUNA

ALL DAY BAR AND KITCHEN



Mezzuna

With the first store launched in Pune, Mezzuna has been targeted at the 24 to 35 age group. Mezzuna opens for a late breakfast around 10 am and goes on till midnight. This is a first of its kind for the company not only in terms of its cuisine which features new world continental dishes with Mediterranean, Moroccan, East Asian and Italian flavours, but also its all-day casual dining format, which is expected to yield a higher cover.

MACHAAN



Machaan

After its launch in Mumbai, Machaan now serves Mumbai, Kolkata, Guwahati, Nashik, Surat and Howrah with two company owned and operated restaurants and three franchisees .

Popular Indian dishes are cooked traditionally to retain wholesomeness in delicately cooked vegetables and meats, seasoned with local herbs and spices. The ambience at Machaan has tropical themes with jungle motifs that draw children and families.

At the end of FY 2013, there were 6 Machaan Restaurants offering Indian dishes.

HAKA


Haka

Positioned as an ideal place for guests on the go or for a family outing combined with other leisure activities such as shopping or the cinema, there are three Haka restaurants, two in Kolkata and one in Bhubaneswar.

The Haka menu features modern Chinese cuisine with small dishes including dim sum and other snacks typically found in modern Chinese casual diners in Hong Kong and Shanghai city streets.

The contemporary ambience of each Haka restaurant is created by red walls and modern impressionist artwork. The design and construction emphasizes efficiency and functionality in layout.

Sweet Bengal



Sweet Bengal

Sweet Bengal, which has 14 outlets in Mumbai, features Bengali sweets and snacks prepared by master chefs from West Bengal. Sweet Bengal also supplies sweets to some of our restaurants in Mumbai.



Our other brands include:

sigree

Sigree: Sigree offers flavours from North Western India using fresh and pure flavours and ingredients. We try to keep it simple and minimalistic and follow slow cooking as if catering to the true taste of Maharajas. The ambience at Sigree restaurants features modern Indian décor in bronze and red colours and we have 7 outlets.

Flame & grill

Flame & Grill: The Flame & Grill menu offers a range of kebabs seasoned with our special spices as starters as well as in fixed buffets. The ambience at each Flame & Grill is modern and vibrant offering a unique experience with grills on each table, promoting interactivity while our guests grill their own kebabs.

KIX

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

SHACK

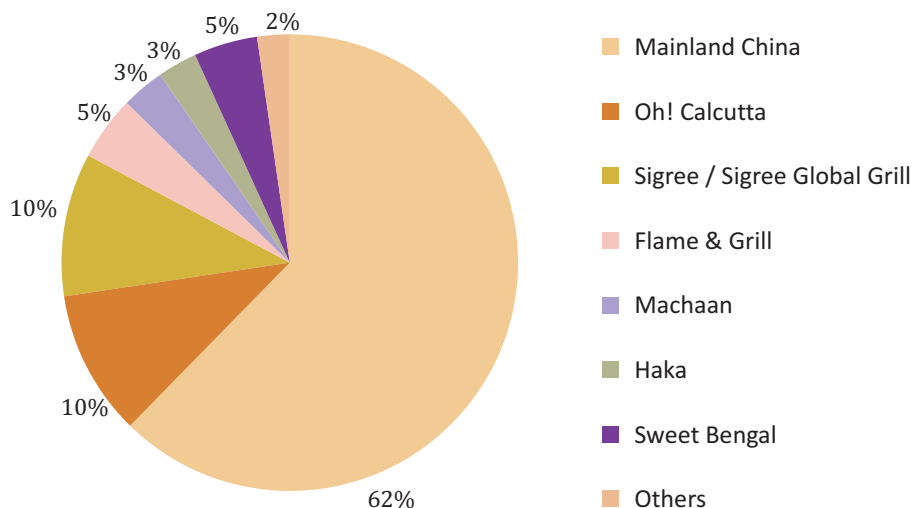
Shack: Launched Shack in 2009 as a bar lounge with a beach theme targeted at the young Indian professional segment.

kibbeh

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

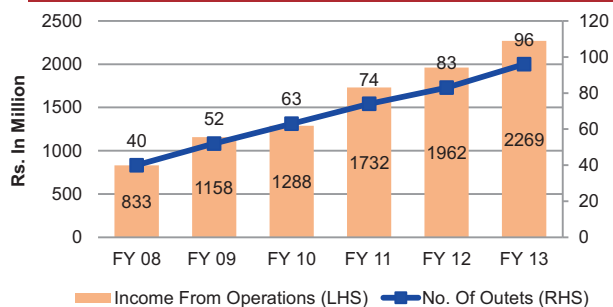


Brandwise Contribution to Revenues for FY 2012-13

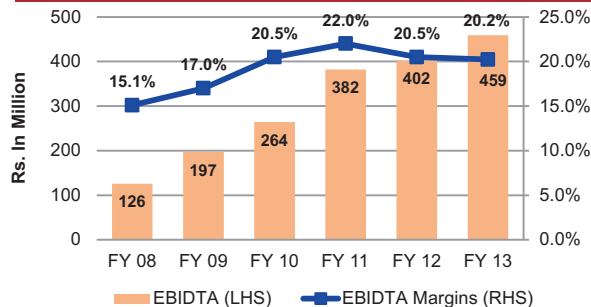


What the numbers say

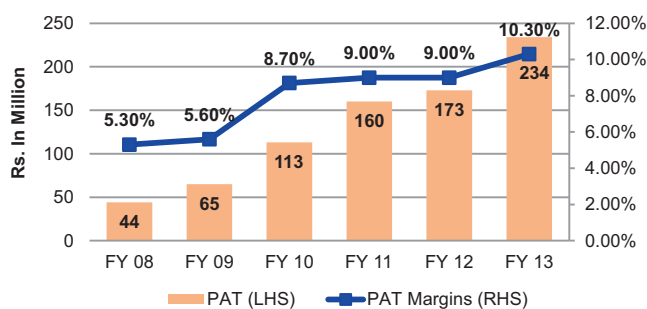
Income From Operations and Outlets



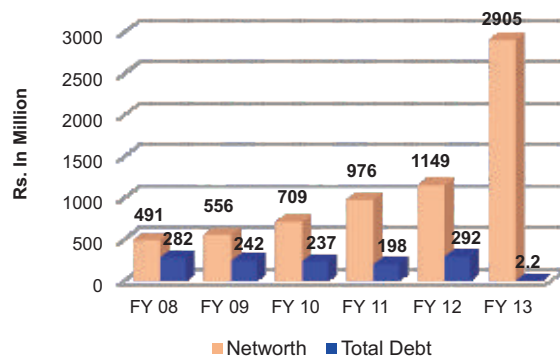
EBITDA and EBITDA Margins



PAT and PAT Margins



Net worth and Total Debt



No. of Restaurants & Confectionaries as of March 2013

EBITDA: Earnings before interest, tax, depreciation and amortization

From the Managing Director's desk

Having built the company from scratch to the listed entity it is today, Anjan Chatterjee (Managing Director) leads from the front with a hands-on style of management.

In a frank and free-wheeling in-house interview he shares his perspectives on the company's journey after its successful IPO last year and also provides an insight into the future of the company.

Key excerpts from that Interview are reproduced below :

Did the company achieve what it set out to do during the financial year 2012-13?

In FY 2012-13, our game-plan had been to stay on course, and I think we pretty much did that. The macroeconomic environment has been challenging, but we continued to innovate and respond to the challenging operating conditions through a multi-faceted approach that builds on our strengths and minimizes our weaknesses.

Having made a successful IPO, we remain committed to meeting our fund utilization plans by opening new restaurants and repaying our debt to achieve debt-free status. The Company ended the year with 82 restaurants and 14 confectionaries, including franchisees, across India. During the year the Company opened 14 restaurants, including 10 Mainland China, 1 Oh! Calcutta, 1 Machaan and 2 Sigree/ Sigree Global Grill. This year has been significant in more ways than one. Not only did we bolster our fine dining business but also ventured into areas such as Quick Service Restaurants (QSRs) and Outdoor Catering services through Mobi-Feast. The response to the new initiatives has been promising.

How is the Company responding to the challenges posed by a relatively uncertain economic environment? When will the Company undertake a price hike to boost its margins?

While there is little we can do to change the uncertain external economic environment, we have strived to innovate to grow and succeeded too. Our main growth driver is expected to be our flagship brand, Mainland China, while we introduce new brands like Mezzuna and Sigree-Global Grill. The focus is on rolling out new restaurants and given that our rollout plans are absolutely on track, we expect that to be a growth driver for us as soon as discretionary spends pick up. The new brand launches will not cannibalize our existing business and at the same time will create value.





As far as price hike goes, in line with the reduction in discretionary spending in India, Speciality Restaurants has deferred raising prices and will take a call in due course. Research tells us that people would prefer eating less, with limited quantity but more variety. So we have introduced small and regular portions, starting with Bengaluru and will be rolling this concept out on a national scale. Research informs us that lowering the portion size means tremendous cost savings for us, and is expected to translate into more orders on our menu.

We have also instituted operational measures by reducing staff and training employees to be multi-faceted to enhance productivity. We have introduced synergies on the floor to save time. Measures like iPad menus have resulted in considerable time and cost savings.

So all in all, the approach has been a 360° one with an equally strong effort at the back end in terms of enhancing productivity as we keep our expansion plans on track.

What are your plans with Mezzuna and Sigree Global Grill ? How do you see these brands shaping up in your overall portfolio?

Speciality Restaurants' flagship brands continue to be Mainland China and Oh! Calcutta. We offer a choice of cuisines and through an assortment of fresh food items focusing on high-quality ingredients, nutritional value and great flavor. Each of our brands stands for a unique cuisine where we try to retain the authenticity of the regional flavor and at the same time make it appetizing for the Indian gourmet.

Mezzuna, launched in Pune, boasts consultants and chefs from Europe and recruitment from the best Hotels and restaurants in India. Notably, it is our first foray into the all-day casual dining format which should help us attain high cover turnover as the restaurant is open longer (between 10 am and 12 midnight). The menu features a new world of dishes — Mediterranean, Moroccan, East Asian, Continental, Spanish, Mexican and Italian flavours with a fantastic range of liquor.

Sigree Global Grill, yet another all-day dining restaurant, offers a melange of fresh, grilled flavours from around the world such as Mediterranean, Oriental, Spanish, Mexican and Indian. It will have live grills with unlimited sizzling starters at each table.





The response has been satisfying and with increasing levels of promotional activities we are seeing higher footfalls.

What prompted the company to enter the outdoor catering services business ?

What is the thinking behind Mobi-Feast ?

The Outdoor Catering service is lower in terms of value compared to the fine dining segment. Having successfully established a long-standing brand equity higher up the value chain, Mobi-Feast was a natural progression. The effort is incremental effort but the margins are higher since we will cater to larger groups.

Mobi-Feast will bring together customized gourmet cuisine and a unique touch to outdoor events by offering authentic dishes that have been enjoyed by millions of satisfied consumers at Speciality Restaurants all over India. Innovative menus with multiple options including global cuisines is one of the differentiating services of this new venture of outdoor catering. With the ever-increasing need for innovation in cuisine and offerings, the catering business in Eastern India will see the Speciality Group participating actively to carve itself a decent market share in the years ahead. Backed by a robust marketing plan, the brand intends to increase the outdoor business substantially in the year 2013-14.

According to the group's investment strategy, the Central Food Processing Unit at Sankrail near Howrah would set benchmarks in the outdoor catering segment in Eastern India. The unit is equipped with a state-of-the-art bakery and confectionary, blast freezing facility, steam kettle cooking facility, central stores, loading and transport divisions.

The unique selling proposition of Mobi-Feast is to cater unique food offering from the kitchens of the leading brands in the country like Mainland China, Oh! Calcutta, Sigree, Sigree Global Grill and Mezunna with the availability of the best of Chinese, Italian, Mediterranean, Continental, Indian and Bengali cuisines. It already has a growing list of marquee corporate names as clientele and we envisage this business as a significant growth driver in the years to come.

The company has plans of launching Quick Service Restaurants (QSRs) ?

What is the progress made?

The Quick service restaurant industry comprises not just food offerings but also a delivery mechanism. While the first one remains our forte, we are scouting for partners like Just Dial for providing smooth and efficient logistics functions. One of the fastest growing industries in the Food services segment, estimated at Rs. 11,740 crores in 2013, it is expected to grow to Rs.26,835 crores by 2018 according to Technopak analysis. Another research claims that India's Quick-Service Restaurant chains business is expected to grow eight-fold to US\$ 5.6 billion by 2020 from US\$ 720 million in 2011, at a CAGR of 27 per cent.

What is the rationale behind the company looking at international forays?

What is the current status of the same?

Our strategy for establishing and expanding our global retail business is to selectively and with discipline open stores in new markets. Speciality Restaurants has become one of the most recognized and respected brands amongst the Indian diaspora. The criteria for selecting the locations include market size, competitive landscape, supply chain considerations, and the availability of suitable partners with local expertise.

At the moment we have looked at around seven locations within the United Arab Emirates which includes Doha. Within Dubai we are certainly looking at four stores, as Mainland China is a sought after brand there. At the same time, we need to take a disciplined approach to managing risks and will proceed only where a strong business case exists. By establishing a presence in new markets, we hope to set the stage for long-term growth, albeit at a pace which will be slow and only when we are sure.

With so many new initiatives up and running, how and where will Mainland China feature in the scheme of things ?

I believe that Speciality Restaurants is at a stage where we have traversed the cost curve and created a strong asset base for ourselves. The challenge here onwards is to increase the 'sweating' on these assets as it is known in the restaurant industry which is why you are seeing new brands and all day open formats. Mobi-Feast is also an application of our existing resources and capabilities, with good margins.

As far as Mainland China goes, it will continue to be our growth driver, being the largest revenue contributor. Going forward, we are also increasing the number of restaurants not only in domestic markets but also internationally where Speciality Restaurants has great brand recognition amongst the Indian diaspora.

What is your outlook for FY 2013-14 ?

While we are proud of our achievements, we have learnt never to take our success for granted, which is why three primary attributes will continue to drive our every decision and action. First, we will remain committed to our flagship brands, expand the number of stores and try to increase same sales stores. Secondly, we will exercise relevant, timely, and courageous innovation in terms of new brands, different formats and menu offerings. Lastly, I firmly believe that growing our business means a sustained effort at appealing to and serving more and more customers by leveraging the brand equity that we have created thus far. This would make us an enduring organization and I think you will agree that that is key to our ongoing success.





Perspectives from SRL's Management Team

Suchhanda Chatterjee

Whole-Time Director

"We are focusing on our expansion efforts with our solid portfolio of key brands. Our restaurants are suitably designed so that they stay fresh and exhibit contemporary design elements. We continue to innovate in terms of our offerings on the menu to cater to a wider audience. All in all, every initiative we take focuses on strengthening our brand and thus growth prospects."

Indranil Ananda Chatterjee

Whole-Time Director

"We believe that our active focus on key brands and especially Mainland China will continue to build our critical mass and scale as we seek to increase our brand's relevance and deliver profitable growth. Internationally too, Mainland China is expected to see good demand. On the other hand, we have invested in brands like Mezzuna and Sigree-Global Grill. These initiatives should set the stage for long-term growth."

Indraneil Palit

Chief Operating Officer

"Operationally we have achieved a new level of efficiency as we have inculcated multi-tasking abilities in our employees at the restaurant level resulting in huge cost savings. Initiatives like the introduction of iPad menus and fewer staff on the floor have helped. Our suppliers who have been with us for close to two decades too have supported us. All in all it has helped us go a long way towards preparing for the next growth phase."

Rajesh Mohta

Chief Financial Officer

"Despite macro-economic instability and a tough competitive environment, we have managed to achieve stable same-store sales and covers. We have set the right development pace, one that capitalizes on our significant opportunity and strong brand demand, while ensuring that we're choosing the right sites in the right markets at the right time, and continuing our expansion plans."



Board of Directors

Susim Mukul Datta

Chairman

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

Anjan Chatterjee

Managing Director

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

Suchhanda Chatterjee

Whole-Time Director

Mrs. Suchhanda Chatterjee is also the Promoter Director of the company and holds a Bachelor's Degree in Arts with over 11 years of experience in the hospitality industry. She can be accredited with bringing in uniformity and quality of food and services for different restaurants under the same brand within Speciality Restaurants, which is the trend internationally.

Indranil Ananda Chatterjee

Whole-Time Director

Mr. Indranil Chatterjee holds a Bachelor's Degree in Commerce and a post graduate diploma in business management with close to 30 years of experience in finance and marketing. He brings to the table his well rounded management skills and strategic inputs for the company's growth and expansion plans.

**Tara Sankar Bhattacharya****Independent Director**

Mr. Tara Sankar Bhattacharya's experience in banking and finance goes back to more than 41 years. He holds a Masters Degree in Physics from Jadavpur University, a Diploma in Management Studies and is an Associate of Saha Institute of Nuclear Physics. He is also a former Managing Director of State Bank of India.

Jyotin Mehta**Independent Director**

Mr. Jyotin Mehta has over 28 years of experience in finance, secretarial, legal, quality management and general management. He holds a Bachelor's Degree in Commerce, is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India.

Dushyant Rajnikant Mehta**Independent Director**

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

Vishal Satinder Sood**Non-Independent Director**

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

**COMPANY INFORMATION****BOARD OF DIRECTORS**

SUSIM MUKUL DATTA
ANJAN CHATTERJEE
SUCHHANDA CHATTERJEE

INDRANIL CHATTERJEE

DUSHYANT MEHTA
JYOTIN MEHTA
T.S.BHATTACHARYA
VISHAL SOOD

CHAIRMAN
MANAGING DIRECTOR
WHOLE-TIME DIRECTOR
(DIRECTOR-INTERIOR & AESTHETICS)
WHOLE-TIME DIRECTOR
(EXECUTIVE DIRECTOR)
NON-EXECUTIVE DIRECTOR
NON-EXECUTIVE DIRECTOR
NON-EXECUTIVE DIRECTOR
NON-EXECUTIVE DIRECTOR

MANAGEMENT TEAM

ANJAN CHATTERJEE
SUCHHANDA CHATTERJEE

INDRANIL CHATTERJEE

INDRANEIL PALIT
PHIROZ SADRI
RAJESH DUBEY
RAJESH KUMAR MOHTA

MANAGING DIRECTOR
WHOLE-TIME DIRECTOR
(DIRECTOR-INTERIOR & AESTHETICS)
WHOLE-TIME DIRECTOR
(EXECUTIVE DIRECTOR)
CHIEF OPERATING OFFICER
DIRECTOR OPERATIONS & BRAND STANDARDS
DIRECTOR-FOOD PRODUCTION
CHIEF FINANCIAL OFFICER

COMPANY SECRETARY

V. S. SATYAMOORTHY

AUDITORS

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS, MUMBAI.

REGISTRAR & SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

BANKERS

STATE BANK OF INDIA
KOTAK MAHINDRA BANK LIMITED
HDFC BANK LIMITED
STANDARD CHARTERED BANK

REGISTERED OFFICE

UNI WORTH HOUSE,
3A, GURUSADAY ROAD
KOLKATA 700 019.

14TH ANNUAL GENERAL MEETING AT

KALA MANDIR
48, SHAKESPEARE SARANI
KOLKATA 700 017

ON TUESDAY, 13TH AUGUST, 2013 AT 3.00 P.M.

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **SPECIALITY RESTAURANTS LIMITED** will be held on Tuesday, the 13th August, 2013 at 3.00 p.m. at Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700017 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2013 and the Audited Balance Sheet as on that date and the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend for the Financial Year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Dushyant R. Mehta who retires by rotation and, being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Tara Sankar Bhattacharya, who retires by rotation and, being eligible, offer himself for re-appointment.
5. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, (ICAI Registration No.117366W) as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Companies Act**") read with Schedule XIII thereto and of the Articles of Association of the Company and subject to such consents and permissions as may be required from the concerned authorities, consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Anjan Chatterjee, as the Managing Director of the Company, not liable to retire by rotation, for a period of five years with effect from December 27, 2012 on the following revised remuneration, perquisites and benefits (as approved by the Board Governance and Remuneration Committee (hereinafter called "**BGRC**") and the Board of Directors (the "**Board**") at their meetings held on November 6, 2012 and on such other terms and conditions as set out in the explanatory statement.

Remuneration:

1. **Basic Salary**:-In the range of Rs.2,00,000/- to Rs.7,00,000/- per month. In the first year it shall be Rs. 2,50,000/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling in compliance with Schedule XIII of the Companies Act. First increment shall be due from December 27, 2013.

2. Allowances:

- | | |
|---------------------------|---------------------------|
| (i) House Rent Allowance | Rs. 1,25,000/- per month. |
| (ii) Additional Allowance | Rs. 1,25,000/- per month. |

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned at 1 above.

3. Perquisites:

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

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

4. Commission:

Over and above the remuneration aforesaid, he shall be eligible for commission at the rate of 1% of the net profits or such other percent as the Board of Directors may fix every year. Provided that the total remuneration including basic salary, other allowance, perquisites and commission shall be within the overall limits laid down in Sections 198 and 309 read with Schedule XIII of the Companies Act.

5. Sitting Fees:

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

RESOLVED FURTHER THAT where in any financial year, during the currency of the tenure of Mr. Anjan Chatterjee as the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule XIII of the Companies Act, or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said re-appointment, and/or remunerations in such manner as may be agreed to between the Board of Directors and Mr. Anjan Chatterjee subject to the limits mentioned above.

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

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

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

"**RESOLVED THAT** in partial modification(s) of the resolution passed at the Annual General Meeting of the Company held on September 30, 2010 for the appointment and remuneration of Mrs. Suchhanda Chatterjee, Whole-time Director of the Company, and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Companies Act**"), read with Schedule XIII thereto and of the Articles of Association of the Company and subject to such consents and permissions as may be required, consent of the shareholders of the Company be and is hereby accorded for revision in terms and conditions of remuneration of Mrs. Suchhanda Chatterjee, Whole-time Director with effect from July 1, 2012 (as approved by the Board Governance and Remuneration Committee and the Board of Directors at their meetings held on November 6, 2012) for the remaining of the tenure of her contract (i.e upto June 30, 2015) as set out below:-

Remuneration

1. **Basic Salary:** - In the range of Rs.50,000/- to Rs. 2,00,000/- per month. For the period starting from July 1, 2012 it shall be Rs. 87,500/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall be due from July 1, 2013.

2. Allowances:

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

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned at 1 above.

All other terms and conditions as mentioned in the appointment letter dated July 21, 2010 remains unchanged.

3. Perquisites:

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

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

4. Sitting Fees:

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

RESOLVED FURTHER THAT where in any financial year, during the currency of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay her remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule XIII of the Companies Act, or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said remunerations in such manner as may be agreed to between the Board of Directors and Mrs. Suchhanda Chatterjee subject to the limits mentioned above as may be permitted in accordance with the provisions of the Companies Act.

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

RESOLVED FURTHER THAT Mr. Anjan Chatterjee, Managing Director or Mr. Indranil Chatterjee, Executive Director and Mr. V.S.Satyamoorthy, Company Secretary be and are hereby severally authorised to file the various forms

required to be filed under the Companies Act electronically from time to time with the Registrar of Companies, West Bengal or such other concerned authorities".

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

"RESOLVED THAT in partial modification(s) of the resolution passed at the Annual General Meeting of the Company held on September 30, 2010 for the appointment and remuneration of Mr. Indranil Chatterjee, Whole time Director of the Company, and in accordance with the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof for the time being in force) ("**Companies Act**"), read with Schedule XIII thereto and of the Articles of Association of the Company and subject to such consents and permissions as may be required, consent of the shareholders of the Company be and is hereby accorded for revision in terms and conditions of remuneration of Mr. Indranil Chatterjee, Whole time Director with effect from July 1, 2012 (as approved by the Board Governance and Remuneration Committee and the Board of Directors at their meetings held on November 6, 2012) for the remainder of the tenure his contract (i.e upto June 30, 2015) as set out below:

Remuneration:

1. **Basic Salary** - In the range of Rs.50,000/- to Rs. 2,00,000/- per month. For the period starting from July 1, 2012 it shall be Rs. 87,500/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling. First increment shall be due from 1st July, 2013.

2. **Allowances:**

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

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

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned at 1 above.

All other terms and conditions as mentioned in the appointment letter dated July 21, 2010 remains unchanged.

3. **Perquisites:**

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

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

4. **Sitting Fees:-**

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

RESOLVED FURTHER THAT where in any financial year, during the currency of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay him remuneration by way of salary and perquisites not exceeding the limits as prescribed under Schedule XIII of the Companies Act, or any modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said remunerations in such manner as may be agreed to between the Board of Directors and Mr. Indranil Chatterjee subject to the limits mentioned above as may be permitted in accordance with the provisions of the Companies Act.

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Non-Executive Directors of the Company (i.e. Directors other than the Managing Director and Whole-time Directors) be paid, by way of an annual payment, in addition to the sitting fees for attending the meetings of the Board of Directors or committees thereof, a commission as the Board of Directors may from time

to time determine not exceeding the limit of 1% of the net profits of the Company per annum in the aggregate for a period of five years from the financial year ending March 31, 2013".

RESOLVED FURTHER THAT Board of Directors and/or committee thereof, be and is hereby authorised to do all such acts, deeds and take such action, as may be considered to give effect to the above resolution."

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

Place: Mumbai
Date : 29th May, 2013

**V.S.Satyamoorthy
Company Secretary**

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

Notes:

- a. The explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out all material facts in respect of Item Nos. 6 to 9 of the Notice set out above are annexed hereto.
- b. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
- c. Corporate Members intending to depute their authorised representative to attend the 14th Annual General Meeting are requested to send a duly certified copy of the board resolution/power of attorney authorising their representatives to attend and vote on their behalf at the meeting.
- d. Profile of Directors seeking appointment/re-appointment at the 14th Annual General Meeting as required in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange(s) is annexed to this Notice.
- e. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 2nd August, 2013 to Tuesday, the 13th August, 2013 (both days inclusive). Dividend for the year ended 31st March, 2013 at the rate of Re. 1 per fully paid-up equity share of Rs. 10 each, if declared at the Meeting, will be paid on and from 17th August, 2013:
 - (i) To those Members, holding shares in physical form whose names appear on the Register of Members of the Company, at the close of business hours on 1st August, 2013 after giving effect to all valid transfers in physical form lodged on or before with the Company and/or its Registrar and Share Transfer Agent; and
 - (ii) In respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of the business hours on 1st August, 2013.
- f. Members holding shares in dematerialised mode are requested to intimate immediately all changes pertaining to their Bank details, ECS mandates, email addresses, power of attorney, change of address/name to their Depository Participant (DP) only and not to the Company or its Registrar and Transfer Agent. Any such change effected by the DPs will automatically reflect in the Company's subsequent records.
- g. Members holding shares in physical form are requested to immediately notify change in their addresses to the Registrar and Transfer Agent of the Company, viz. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai 400078.
- h. To support the Green Initiative in Corporate Governance by the Ministry of Corporate Affairs ("MCA") which allows paperless compliance, the Company has sent the notice last year by e-mode/physical mode requesting the shareholders to register/update their email addresses with their respective Depository Participant(s)/ Company and accordingly for receiving the Annual Report and other documents by e-mode. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses directly with the Registrar and Share Transfer Agent of the Company, so that they can receive the Annual Report and other Communications from the Company electronically.
- i. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all days except Sundays and public holidays between 11.30 a.m to 1.00 p.m upto the date of the Annual General Meeting.
- j. Members/ Proxies are requested to bring duly filled attendance slip sent herewith alongwith the copy of the Annual Report at the meeting.

- k. Members desirous of asking any questions at the 14th Annual General Meeting are requested to send in their questions to the Company atleast 7 days in advance so as to enable the Company to provide suitable replies at the meeting.

Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 6: Re-appointment of Mr. Anjan Chatterjee as Managing Director

Mr. Anjan Chatterjee was appointed as the Managing Director of the Company (earlier known as Speciality Restaurants Private Limited) in the Board Meeting held on 27th December 2007 for a period of Five Years i.e from 27th December, 2007 to 26th December, 2012. At the Annual General Meeting held on 29th September, 2008, the Members had approved the appointment and terms of remuneration of Mr. Anjan Chatterjee as Managing Director of the Company as per the appointment letter issued by the Company.

Based on the recommendation of the Board Governance and Remuneration Committee, the Board of Directors ("the Board") of Speciality Restaurants Limited in their meeting held on 6th November, 2012 has, subject to approval of the shareholders, approved re-appointment of Mr. Anjan Chatterjee as Managing Director ("MD") of the Company for a period of five years with effect from 27th December, 2012. The Board has also approved terms of remuneration payable to him during his tenure as MD. The appointment of Mr. Anjan Chatterjee as MD and payment of remuneration is subject to the approval of the shareholders of the Company and subject to such further approvals of applicable authority(ies), if any, under applicable law.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 302 of the Companies Act, 1956.

A brief background of Mr. Anjan Chatterjee and the remuneration payable are set out below:-

Background of Mr. Anjan Chatterjee:-

Mr. Anjan Chatterjee, B.A, Post Graduate in Hotel Management aged 54 years has been the Managing Director of the Company since 2007.

Mr. Anjan Chatterjee was the Vice President of National Restaurants Association of India.

A draft of the agreement proposed to be entered into between the Company and Mr. Anjan Chatterjee in connection with his re-appointment as Managing Director of the Company and setting out the terms and conditions of his re-appointment including the remuneration is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m to 1.00 p.m prior to the date of Annual General Meeting.

The other terms and conditions of appointment of Mr. Anjan Chatterjee as Managing Director of the Company, as set out in the draft agreement are given below:-

1. The MD shall act under the overall supervision and direction of the Board of Directors. Save as aforesaid, the MD is vested with the management and control of the Company and is hereby authorised to exercise all the powers of management of the Company and its business save and except such powers as are required by law for the time being in force to be exercised by the Company in the General Meeting or by the Board of Directors.
2. Without prejudice to the general powers conferred above and other powers conferred by these presents, the MD is also hereby authorised subject to the provisions of Section 292 of the Companies Act, to exercise the following powers on behalf of the Company :
 - (a) To manage and govern the business of the Company.
 - (b) To represent the Company in dealing with and enter into Agreement(s) with Government and local and other authorities in all matters concerning the Company and to take steps for the compliance with the terms thereof.
 - (c) To enter into negotiations and execute contracts with any person, firm or body, and to implement the same and to rescind and vary the terms thereof in relation to the business of the Company.
 - (d) To purchase, take on lease, hire or otherwise acquire land or other immovable property and to build, construct or erect on, and to alter, repair, convert, extend, improve, develop the same in relation to the business of the Company.
 - (e) To appoint officers, clerks, servants and agents of the Company and to fix their remuneration and determine their powers and to remove and dismiss them and appoint other or others in their places.
 - (f) To institute, conduct, defend, appear in, compound, settle or abandon any legal proceedings by or against the Company or otherwise concerning the affairs of the Company.
 - (g) To refer any claim, demands and disputes by or against the Company or concerning the affairs of the Company to arbitration and to comply with the terms of any decree or order or award.
 - (h) To make and give receipts, releases and other discharges for any money payable to or property receivable by the Company.

- (i) To send employees or prospective employees of the Company for training on Company's business to other concerns or abroad and to employ experts and to determine their conditions of service.
 - (j) To provide for the welfare of the Company's employees and their families by grants of money, pension, provident fund and other activities promoting their welfare.
 - (k) To delegate any of the aforesaid powers to any Director, Head of the Department or any senior functionary of the Company.
 - (l) To grant loans to the employees of the Company within the powers delegated by the Board of Directors from time to time and to sub-delegate the same to any Director, Head of the Department or any senior functionary of the Company.
3. The Agreement may be terminated by either party giving the other party 180 days notice in writing or the Company paying 180 days salary in lieu thereof. On the expiry of the period of such notice this Agreement shall stand terminated. If the MD resigns from his office by notice in writing to the Company as provided above or otherwise ceases to hold office of the MD, he shall nevertheless continue to hold the office of Director of the Company and to exercise all the rights and privileges as Director of the Company.
 4. The MD shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without prior approval of the Central Government.
 5. Subject to the provisions of the Companies Act, the MD shall not be liable for the acts, receipts, neglects or defaults of any Director, Officer or Employee of the Company or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own willful default.
 6. Subject to the provisions of the Companies Act, on the MD ceasing to hold office of MD of the Company for any reason other than those set out in Section 318(3) of the Companies Act, the Company shall be bound to pay to the MD as compensation a sum which shall not exceed the remuneration which he would have earned if he had been in office for the unexpired residue of his term or for three years whichever is shorter calculated on the basis of the average remuneration actually earned by him during the period of three years immediately preceding the date on which he ceased to hold office or where he held the office for lesser period than three years during such period.
 7. The MD shall not be liable to retire by rotation.
 8. The MD shall not during the continuance of his employment hereunder or anytime thereafter divulge or disclose to any person to whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret proceeds of the Company and the MD shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from so doing, PROVIDED HOWEVER that any such divulgence or disclosure by the MD to the officers and the employees of the Company shall not be deemed to be a contravention of this Clause.
 9. If the MD shall at any time be prevented by ill-health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require and if he shall be unable by reason of ill health or accident or disability for a period of 180 days in any period of twelve consecutive calendar months to perform his duties hereunder, the Company may by mutual consent terminate his employment hereunder.

Mr. Anjan Chatterjee, being MD of the Company is interested in his re-appointment as MD.

Mrs. Suchhanda Chatterjee, being a director of the Company is related to Mr. Anjan Chatterjee and may be deemed to be interested or concerned in the re-appointment of Mr. Anjan Chatterjee as MD.

No other director of the Company is concerned or interested in the re-appointment of Mr. Anjan Chatterjee as MD.

The Board recommends the resolution for your approval.

Item No. 7: Revision in Remuneration to Mrs. Suchhanda Chatterjee, Whole-time Director of the Company.

Mrs. Suchhanda Chatterjee was appointed as Whole-time Director of the Company (earlier known as Speciality Restaurants Private Limited) in the Board Meeting held on July 21, 2010 for a period of five years with effect from July 1, 2010. At the Annual General Meeting held on September 30, 2010, the Members had approved the appointment and terms of remuneration of Mrs. Suchhanda Chatterjee as Whole time Director.

Based on the recommendations of Board Governance and Remuneration Committee and keeping in view the increased responsibilities on account of various new projects proposed to be implemented and also the significant contribution made by her to the Company, the Board in its meeting dated November 6, 2012 has subject to approval of the shareholders approved revision in remuneration of Mrs. Suchhanda Chatterjee, with effect from July 1, 2012 for the remainder of the tenure of her contract i.e upto June 30, 2015.

The revised terms of remuneration are set out in the Resolution No. 7 mentioned above.

A draft of the amendment letter to be issued to Mrs. Suchhanda Chatterjee setting out the revised remuneration is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m to 1.00 p.m prior to the date of Annual General Meeting.

Mrs. Suchhanda Chatterjee, being Whole-time director of the Company is interested in the revised terms and conditions of her remuneration.

Mr. Anjan Chatterjee, being a Director of the Company is related to Mrs. Suchhanda Chatterjee and may be deemed to be interested or concerned in the revised terms conditions of her remuneration.

No other Director of the Company is concerned or interested in the revised remuneration of Mrs. Suchhanda Chatterjee.

The Board recommends the resolution for your approval.

Item No. 8: Revision in Remuneration to Mr. Indranil Chatterjee, Whole-time Director of the Company.

Mr. Indranil Chatterjee was appointed as Whole-time Director of the Company (earlier known as Speciality Restaurants Private Limited) in the Board Meeting held on July 21, 2010 for a period of five years with effect from 1st July, 2010. At the Annual General Meeting held on September 30, 2010, the Members had approved the appointment and terms of remuneration of Mr. Indranil Chatterjee as the Whole time Director.

Based on the recommendations of Board Governance and Remuneration Committee and considering the significant contributions made by him to the Company, the Board in its meeting dated November 6, 2012 has, subject to approval of the shareholders approved revision in remuneration of Mr. Indranil Chatterjee with effect from July 1, 2012 for the remainder of the tenure of his contract i.e upto June 30, 2015.

The revised terms of remuneration are set out in the Resolution No. 8 mentioned above.

A draft of the amendment letter to be issued to Mr. Indranil Chatterjee setting out the revised remuneration is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m to 1.00 p.m prior to the date of Annual General Meeting.

No other Director is concerned or interested in the above matter except Mr. Indranil Chatterjee in so far as they relate to his revised remuneration.

The Board recommends the resolution for your approval.

Item No. 9: Payment of commission to Non-Executive Directors:

The Board of Directors at its meeting held on May 29, 2013 considered remunerating the Non-Executive Directors of the Company by way of commission on an annual basis subject to the approval of the shareholders of the Company. However, the commission payable to all Non-Executive Directors of the Company shall not exceed the maximum permissible limit under the provisions of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof. This commission is payable for a period of 5 (Five) years from and including of the financial year ending on March 31, 2013.

The quantum of remuneration payable to each Non-Executive Director and the period for which commission is payable, will be decided by the Board of Directors or a Committee thereof.

The aforesaid commission shall be paid to all such Directors in addition to the sitting fees paid to them for attending the meetings of the Board and Committees thereof.

All the Non-Executive Directors of the Company are deemed to be concerned or interested in this Resolution. None of the other Directors are, in any way, concerned or interested in this Resolution.

The Board recommends the resolution for your approval.

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

**V.S.Satyamoorthy
Company Secretary**

Place: Mumbai
Date : 29th May, 2013

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

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

Particulars			
Name of the Director	Mr. Anjan Chatterjee	Mr. Dushyant R. Mehta	Mr. T.S.Bhattacharya
Date of Birth	16th February, 1959	2nd October, 1955	24th January, 1948
Date of Appointment/ Re-appointment	1-12-1999	18-8-2009	9-2-2011
Qualification/s.	Bachelor's Degree in Science and a Diploma in Hotel Management, Catering Technology and Applied Nutrition.	Master's Degree in Business Administration.	Master's Degree in Physics and a Diploma in Management Studies. Associate of Saha Institute of Nuclear Physics.
Expertise in specific functional areas	Over 30 years of experience in Advertising and Hospitality industry.	30 years of experience in Sales, Advertising and Marketing.	41 years of experience in banking and finance. Former Managing Director of State Bank of India.
Directorship in other companies.*	-	1. Repro India Limited.	1. Amartex Industries Limited. 2. Abhijeet Power Limited. 3. IDFC AMC Trustee Company Limited. 4. IDFC Securities Limited. 5. Ind Swift Laboratories Limited. 6. Jindal Stainless Limited. 7. Nandan Exim Limited. 8. Surya Roshini Limited. 9. Sayaji Hotels Limited.
Membership of Committees in other Public Limited Companies (includes only Audit & Investors' Grievance Committee).	-	None	1. Jindal Stainless Limited - Audit Committee-Member. 2. IDFC Securities Limited - Audit Committee-Member. 3. Abhijeet Power Limited - Audit Committee-Member.
No. of Shares held in the Company	16529905	1280	Nil

Note: 1. Pursuant to Clause 49 of the Listing Agreement, only two committees viz. Audit Committee and Shareholders/ Investors Grievance Committee have been considered.

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

**Directors' Report**

To
The Members of
Speciality Restaurants Limited.

Your Directors are pleased to present the Fourteenth Annual Report together with the audited financial statements of the Company for the financial year ended 31st March, 2013.

1. Financial Results:**(Rs. in millions)**

Particulars	31st March, 2013	31st March, 2012
Revenue from operations	2269.2	1962.3
Other Income	91.6	27.1
Total Income	2360.8	1989.4
Earnings before Interest, Depreciation, Amortization and Tax	459.1	402.1
Less:		
Finance Costs	5.0	26.6
Depreciation /Amortization	149.3	128.7
Net Profit for the year before Taxes	304.8	246.8
Less: Provision for Taxes		
Current Tax	90.6	93.6
Deferred Tax	(19.9)	(19.2)
Profit after tax	234.1	172.4
Add: Balance Brought Forward from Previous Year	628.3	455.8
Available for Appropriations	862.4	628.2
Less: Appropriations:-		
Proposed Dividend on Equity Shares (Re. 1 per share of Rs. 10 each)	47.0	----
Corporate Dividend Tax	8.0	----
Balance Profit	807.4	628.2

2. Financial Performance:

The Total Income of your Company increased to Rs. 2360.8 million from Rs. 1989.4 million in the previous year, thus a growth of 18.67% over the previous year.

The Profit before Depreciation, Interest and Tax (PBDIT) amounted to Rs. 459.1 million (19.45% of the revenue) as against Rs. 402.1 million (20.21% of revenue) in the previous year.

The Net Profit after Tax was Rs.234.1 million as against Rs. 172.4 million in the previous year registering a growth of 35.79%.

3. Dividend on Equity Shares:

Your Directors recommend payment of maiden dividend for the financial year ended 31st March, 2013 of Re. 1.00 per equity share of face value Rs. 10 per share amounting to Rs. 55.0 million (inclusive of Corporate Dividend Tax of Rs. 8.0 million).

The dividend payout for the year under review has been proposed keeping in view the shareholders' aspirations and the Company's requirement for capital.

4. Share Capital:

During the year under review, your Company had successfully completed its Initial Public Offer ("IPO") and allotted. After the allotment, the Share Capital of the Company stood at Rs. 469.58 million as on 31st March, 2013.

5. Employee Stock Option Scheme:

Your Company has framed the Speciality Restaurants Limited-Employee Stock Option Scheme 2012 in accordance with the Securities and Exchange Board of India Guidelines, 1999 ('the SEBI Guidelines') for the welfare of the employees and to retain the talent in the organisation. As the Company is still in the process of implementing the scheme on the basis of the approval granted by the Shareholders, the applicable disclosure requirements as stipulated under the SEBI Guidelines as at 31st March, 2013 are not applicable for the financial year under review.

6. Operations:

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

7. Management Discussion and Analysis Report:

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

8. Awards & Recognition:

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

Year	Awards
2012	Mainland China brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Chinese Cuisine.
2012	Mainland China brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Buffet.
2012	Mainland China brand won the 'Cremica - Indian Restaurant Awards' in the category of Most Preferred Fine Dining Restaurant.
2012	Mainland China brand won the 'Times Food Award' in the category of 'Best Chinese'.
2012	Mainland China won the 'Coca Cola Golden Spoon Award' for the most admired restaurant chain in India.
2013	Mainland China brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Chinese Cuisine.
2013	Mainland China brand won the 'Times Food Award' in the category of 'Best Chinese'.
2013	Mainland China brand won the 'Zomato Users' Choice Award' for Asian and Oriental.
2012	Oh! Calcutta brand won the 'Hindustan Times Award (Crystals People's Choice Awards)' in the category of City's Finest Regional Indian Restaurants.
2012	Oh! Calcutta brand won the 'Times Food Award' in the category of Best Bengali.
2012	Oh! Calcutta brand won the 'Asia's 50 Best Restaurants Award' in the category of Chef Favourites.
2012	Oh! Calcutta brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Bengali Food.
2013	Sigree brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Barbeque.
2013	Sigree brand won the 'Times Food Award' in the category of Best North Indian.
2013	Sigree brand won the 'Zomato Users' Choice Award' for Casual Dining.
2012	Flame & Grill brand won the 'I Ate Here Award' from Mouthshut.com in the category of Best Barbeque.
2013	Machaan brand won the 'Zomato Users' Choice Award' for Casual Dining.

9. Directors:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, two Directors of the Company, namely Mr. Dushyant Mehta and Mr. Tara Sankar Bhattacharya retire from office by rotation, and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting of the Company.

During the year under review, Mr. Anjan Chatterjee was re-appointed as Managing Director of the Company for a period of five years with effect from 27th December, 2012 subject to the approval of the Shareholders.

10. Directors' Responsibility Statement:

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

- i) the financial statements are prepared in conformance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the Company on the historical cost convention; as a going concern and on the accrual basis.
There are no material departures from prescribed accounting standards in the adoption of the accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied except as otherwise stated in the notes to accounts;
- ii) the Directors 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 affairs of the Company as at 31st March 2013 and of the profit of the company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the annual accounts on a going concern basis.

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

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

	(Rs. in million)	
Foreign Exchange Earnings and Outgo:	2012-13	2011-12
Foreign Exchange Earned	3.28	3.27
Foreign Exchange Used	8.92	4.74

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

During the year under review, none of the employees of the company, whether employed for the whole year, or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and hence, no particulars are required to be furnished in connection with the same.

13. Consolidated Financial Statements:

As the Company does not have any subsidiaries, it is not required to publish Consolidated Financial Statements.

14. Report on Corporate Governance:

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement/s forms part of the Annual Report.

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

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

As per the schedule of deployment of net proceeds of the Issue, disclosed in the prospectus dated May 22, 2012 (the "Prospectus"), the Company had proposed to utilise Rs 469.19 million towards development of new restaurants, Rs. 75.50 million towards development of a food plaza and Rs. 94.16 million towards repayment of term loans in financial year 2013.

Your directors would like to inform you that as at 31st March, 2013, issue proceeds earmarked towards repayment of term loans have been fully utilized. Further, the utilisation of Rs. 223.79 million and Rs. 75.50 million scheduled to be utilized in financial year 2013 towards development of new restaurants and food plaza, respectively has been deferred, since such expenditure was not considered to be commercially viable by the Company in light of the then existing economic conditions. The Company proposes to utilise these balance amounts towards the above mentioned objects in financial years 2014 and 2015.

16. Auditors:

M/s Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from the Statutory Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

17. Acknowledgement:

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

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

For and on behalf of the Board
Speciality Restaurants Limited

Susim Mukul Datta
Chairman

Date: 29th May, 2013.
Place: Mumbai



MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Indian Economy:

The World Bank recently pegged India's GDP growth forecast at 6.1% for FY 2013-14 and is expecting a gradual recovery. According to the World Bank's latest India Development Update, growth is expected to further increase to 6.7% in the next fiscal year. In recent months, both wholesale price index-based inflation and trade deficit have declined. Inflation fell below 6% and is now within the Reserve Bank of India's (RBI's) stated comfort range. With the stabilization of the rupee and expectations of a good monsoon, inflation is expected to decline further.

The current account deficit, which had touched a record high of 6.7% during the period between October to December 2012, is also expected to narrow further in the medium term. The fiscal deficit too, is expected to decline as the Government has renewed its commitment towards fiscal consolidation.

The WPI and CPI inflation appears to be softening in the current fiscal, thus paving the way for RBI to cut interest rates. Falling interest rates would not only aid growth but also improve the overall sentiments in the economy as various sectors of the Indian economy are directly and indirectly related with the movements in interest rates.

A stronger fiscal stance and further improvements in economic activity could facilitate additional rate cuts.

Overall then, there could be greater opportunities for businesses.

The Fine Dining Industry

The 'India Food Services Report 2013', prepared by the National Restaurant Association of India (NRAI), estimates the current size of the Indian food service industry at Rs 2,47,680 crore in 2013. It is projected to grow at CAGR of 11% to Rs 4,08,040 crore by 2018.

The Fine Dining segment as per the NRAI and Technopak research, stands at Rs. 500 crores in 2013 and is expected to be Rs.1010 crores by 2018 translating into a CAGR of 15%. As per the report, the fine dining segment is innovating with customizes menus, chef customer interactions etc as customers are willing to pay a premium for high quality food services and experience. Metros and mini Metros dominate this market.

Other Key Industry Segments

In terms of market segment, quick service restaurants (QSR) and casual dine-in formats account for 74% of the total chain market. Cafes make up for 12% while fine dining, frozen desert/ice-cream and pubs, bars, clubs and lounges (PBCL) comprise the rest.

NRAI estimates that the chain and licensed standalone industry will contribute estimated Rs 11,500-11,900 crore in 2013. This projection more than doubles to Rs 24,600-25,000 crore by 2018. The key growth drivers and emerging trends indicate an increasing share of delivery and take-away formats with a focus on convenience.

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

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

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

Business Environment

Fine dining restaurants allow customers to experience the celebration of food that is aesthetically cooked to arouse their taste buds with visually appealing food portions. Your Company operates in the Fine Dining segment and as India progresses demographically invoking its affluent and middle-class population to drive consumption, the entire phenomenon will enable the restaurant business to soar further. An industry as vast as this provides large direct and indirect employment generates revenue for the Government. Your Company has also forayed into Outdoor Catering and is firming up plans of entering the Quick Service Restaurants Segment.

Opportunities

- With the high standard of living and the change in the lifestyle of people, more and more consumers are patronising various restaurants. Restaurants have evolved as places for social gatherings and outings resulting in good opportunities given the evolving dining culture.
- With an increase in the number of Indians going abroad and the flurry in domestic tourism, Indian have enjoyed global experiences and cuisines from across the world. Resultantly, Fine Dining restaurants are preferred as they offer better ambience, service and presentation, often on par with global standards.

- With the young population in the urban areas now having access to large sums of disposable wealth and the advent of the many cuisines, the food trend has shifted from traditional food to upbeat cuisines of the world.
- Changing consumer lifestyles and preferences with an increasing number of women in the workforce, increase in double income households, rising disposable income, growth in nuclear families particularly in urban India, increasing urbanization and higher frequency of eating out, exposure to global media and cuisine, mall and the multiplex boom have all fuelled the growth of the dining business in India.

Challenges

- Given the sheer size of the Indian consumer market and the increasing spending power, it is a natural destination for fine dining companies not just from within India but also abroad. India is witnessing increased investments in the industry resulting in a highly competitive environment.
- Given the high rate of inflation, having to meet big expenses while maintain consistency in their price to compete with the traditional sector has been a challenge for most fine dining restaurants.
- 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 regulatory concerns such as existing high taxes, burden of new taxes and over-licensing pose a serious challenge .
- The fine dining brands entering India will be tweaking their price and menu as holding on to their international price will not be an option here with the market for niche restaurant brands. This will further enhance competition.

Competitive Positioning:

Mainland China

The Company continues to enjoy the premium brand equity with Mainland China, as the expansion plan is on track and efforts to innovate and delight consumers continue. The Company continues to focus on increasing its reach geographically and tapping new areas with high potential.

Speciality Restaurants is at a stage where it has created a strong asset base. The challenge hereon is to increase the 'sweating on these assets' as it is called in the restaurant industry. With the introduction of new brands like Mezzuna and Sigree-Global Grill the Company is focusing on tapping a wider audience. The new brand launches will not be cannibalising into the existing brands and at the same time create value for the Company.

Mezzuna which has been targeted at the 24 to 35 age group opens between 10 am to 12 midnight serving continental dishes with Mediterranean, Moroccan, East Asian, Continental, Spanish, Mexican and Italian flavours with a fantastic range of liquor which is of prime importance. Its format is all-day casual dining - Higher Cover as timing is longer.

Sigree Global Grill offers a melange of fresh, grilled flavours from all around the globe like Mediterranean, Oriental, Spanish, Mexican and Indian cuisine comprise the Menu with live grills on each table. Again this is also an all-day dining restaurant and our smaller brands like Machaan, Sigree etc are expected to be merged within this.

With practically no overhead costs in this format, Quick Service Restaurants (QSRs) are a fast growing segment of the restaurant industry. The Company intends expanding through QSR with the right combination of quality food and quick delivery.

Expanding the outdoor catering is also being viewed as a growing business opportunity and initiative have already been taken to aggressively expand the company's presence in this segment. Mobi-Feast is the Company's initiative in this direction and it has seen a good start with the outdoor catering contract for the Kolkata Knight Riders Team at the Indian Premier League.

Risk Mitigation:

Inflation and Cost Pressures:

The entire restaurant industry has been plagued with rising food prices and increasing cost pressures on all fronts.

Your Company tries to pass on the increased costs by increasing menu prices, or by reviewing and implementing, alternative processes thereby facilitating cost control. Your Company is waiting for the right time to raise prices as given the subdued environment it does not wish to dampen its customer's sentiments. Further, this is a critical business decision that the management is well equipped to time correctly.

The Company is in the process of introducing small and regular portion menus at its flagship restaurant Mainland China. This is based on research conducted which suggests that this will enable the company to reduce costs and yet get higher orders from the menus. Once the implementation here is successful, the Company will be open to extending this concept to its other Restaurant Brands too.

Increasing Competition:

The restaurant business is highly competitive in terms of price, service, location, nutritional and dietary trends and food quality, and is often affected by changes in consumer tastes, economic conditions and traffic patterns.

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

Operations:

Operationally, the restaurant business continues to remain a difficult one to handle and efficient supply chain management, sourcing and presentation etc remain integral to its success.

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

Internal Control Systems and their Adequacy:

Across industries, internal processes control and systems play a critical role in the health of a company. An effective system of internal controls form a keystone necessary for building, maintaining and improving shareholders value and helps to enhance the overall quality of the business and enterprise. Your Company has its own internal control systems in place to ensure that all assets are protected. Your Company has adequately insured for the assets and also employees insurance policies are in place.

Risk Identification and Mitigation is undertaken by the members of the Senior Management actively and on a ongoing basis.

Financial Performance:

Accounting policy:

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

The Year 2012-13:

Revenues:

Revenues and other income for the year ended 31st March, 2013 stood at Rs. 2360.82 million as compared to Rs. 1989.40 million during the previous year registering a growth of 18.7%.

Expenses:

The expenses for the year ended 31st March 2013 stood at Rs. 2056.00 million as compared to Rs. 1742.62 million. The main components of the expenses were cost of materials consumed (29.6%), Employee benefits expense-(24.9%), Finance Costs-(0.2%), Other Expenses-(37.9) % and Depreciation/ amortization/impairment-(7.3%).

Profit and Taxes:

Profit before tax for the year ended 31st March, 2013 stood at Rs. 304.82 million as compared to Rs.246.78 million for the previous year representing a growth of 23.5%. The profit for the year after taxes stood at Rs. 234.1 million as compared to Rs. 172.43 million for the previous year representing a growth of 35.8%

Balance Sheet:

During the year, the paid-up share capital of the Company increased by Rs. 117.39 million due to issue of shares to the public in the Initial Public Offering ("IPO").

The Gross Block and Net Block (including Capital Work-in-progress) (CWIP) stood at Rs. 1676.97 million and Rs. 1021.09 million respectively as on 31st March, 2013.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

A. Mandatory Requirements:

1. Company's Philosophy on Corporate Governance:

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

2. Board of Directors:

2.1. Composition of the Board:

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

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

During the financial year ended 31st March, 2013, Mr. Vishal Sood was appointed as Additional Director on 1st August, 2012 after the withdrawal of his nomination on the Board by the Investor namely SAIF III Mauritius Company Limited and was appointed as a Director in the last Annual General Meeting held on 28th September, 2012.

Mr. Anjan Chatterjee was re-appointed as Managing Director of the Company with effect from 27th December, 2012 subject to the approval of the Members in the ensuing Annual General Meeting. The particulars of Directors retiring by rotation and seeking re-appointment by the Members have been included in the Notice of the Annual General Meeting.

The Composition of the Board as on 31st March, 2013 and category of Directors are as follows:-

Category	Name of the Directors	Designation	No. of Shares held as on 31st March, 2013
Promoter Directors	Mr. Anjan Chatterjee	Managing Director	16,529,905
	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Aesthetics)	11,970,000
Executive Director	Mr. Indranil Chatterjee	Whole-time Director (Executive Director)	1299
Non-Executive Non-Independent Director	Mr. Vishal Sood	Director	NIL
Independent Directors	Mr. Susim Mukul Datta	Non-Executive Chairman	NIL
	Mr. Jyotin Mehta	Director	NIL
	Mr. Tara Sankar Bhattacharya	Director	NIL
	Mr. Dushyant Mehta	Director	1280

2.2 Meeting of the Board of Directors and Board Procedures:

The Board of Directors had met five times during the year on 30th May, 2012, 1st August, 2012, 28th September, 2012, 6th November, 2012 and 6th February, 2013. The Agenda for the Board Meetings together with the appropriate supporting documents and papers are circulated well in advance of the meetings to enable the Board to take informed decisions.

2.3 Attendance at Board Meetings and Last Annual General Meeting:

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

Name of the Director	Category	Attendance Particulars		Directorship/Committee Membership in other Public Limited Companies.		
		No. Board Meeting Attended	AGM (held on 28.09.2012)	No. of other Directorships held as at 31.03.2013	Chairman	Member
Mr. Susim Mukul Datta	Non-Executive Chairman	4	Yes	14	3	7
Mr. Anjan Chatterjee	Managing Director	5	Yes	-	-	-
Mrs. Suchhanda Chatterjee	Whole time Director	2	No	-	-	-
Mr. Indranil Chatterjee	Executive Director	4	Yes	-	-	-
Mr. Jyotin Mehta	Independent Director	5	Yes	1	1	1
Mr. Tara Sankar Bhattacharya	Independent Director	4	Yes	9	-	3
Mr. Dushyant Mehta	Independent Director	4	Yes	1	-	-
Mr. Vishal Sood	Non-Executive Non-Independent Director	4	Yes	1	-	-

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

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

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

3. Audit Committee:

3.1 Composition, Meeting and Attendance:

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

During the financial year 2012-13, the Audit Committee met four times on 1st August, 2012, 6th November, 2012, 20th November, 2012, and 6th February, 2013.

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

Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Tara Sankar Bhattacharya	Chairman	Non-Executive Independent Director	4	4
Mr. Anjan Chatterjee	Member	Managing Director	4	3
Mr. Jyotin Mehta	Member	Non-Executive Independent Director	4	4
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	4	4

3.2. Terms of reference:

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

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

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

3.3 Powers:-

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

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Board Governance and Remuneration Committee:

The Remuneration Committee which was constituted on March 2, 2011 for reviewing and recommending the remuneration payable to the Directors and senior executives of the Company had been reconstituted as Board Governance and Remuneration Committee by the Board in their Meeting held on 1st August, 2012.

Composition, Meetings and Attendance:

The Board Governance and Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. Mr. Dushyant Mehta is the Chairman of the Board Governance and Remuneration Committee. The Company Secretary acts as Secretary to the Committee. During the financial year ended on 31st March, 2013, Mr. Vishal Sood resigned as a member of the Committee on 28th September, 2012. The Company had inducted Mr. Susim Mukul Datta as a Member of the Committee with effect from 28th September, 2012. As on 31st March, 2013 the Committee comprised of Mr. Dushyant Mehta, Mr. Jyotin Mehta and Mr. Susim Mukul Datta.

One meeting of the Board Governance and Remuneration Committee was held on 6th November, 2012 which was attended by all three Members of the Committee.

Terms of reference:

The broad terms of reference of Board Governance and Remuneration Committee (the BGRC") include the following:-

1. To assist the Board of Directors with respect to 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 BGRC 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 BGRC 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 BGRC;
 - 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 BGRC shall discuss with the Board the Board's equilibrium criteria and profile of the candidate.
2. To draft procedures and propose modifications thereof for the appointment of members of the Board, managing director and chief executive officer.
3. To assist the Board of Directors in formulating and implementing the remuneration policy of the Company vis-à-vis the executive directors of the Company;
4. To recommend to the Board of Directors, the terms of compensation of the executive directors; and
5. To recommend compensation to the non-executive directors in accordance with the provisions of the Companies Act.
6. To approve any changes in the system of remuneration of the Company's senior executives.
7. To prepare a remuneration report to be included in the report on corporate governance included in the annual report of the Company
8. To consider and administer the ESOP Scheme and to formulate the detailed terms and conditions of the ESOP scheme including the following matters:-
 - a. The quantum of options to be granted under an employee stock option scheme per employee and in aggregate;
 - b. The conditions under which options vested in employees may lapse in case of termination of the employment for misconduct;
 - c. The exercise period within which the employee should exercise that option and that option would lapse on failure to exercise the option within the exercise period;
 - d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
 - e. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - f. The procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the BGRC:-
 - (i) the number and the price of stock options shall be adjusted in a manner such that the total value of the stock options remains the same after the corporate action;
 - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - (iii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
 - g. The grant, vest and exercise of option in case of employees who are on long leave and
 - h. The procedure for cashless exercise of options.

5. Shareholder/Investor Grievance and Share Transfer Committee:-

The Shareholder/Investor Grievance and Share Transfer Committee have been constituted for the redressal of the shareholder grievances.

Composition, Meetings and Attendance:

As on 31st March, 2013, the Committee comprises of three members namely, Mr. Susim Mukul Datta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee. Mr. Susim Mukul Datta is the Chairman of the Shareholder/Investor Grievance and Share Transfer Committee. The Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company.

Terms of reference:

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

1. Redressal of Shareholders'/Investors' complaints;

2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function contained in the Listing Agreement.

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

M/s. Link Intime India Private Limited had received 13 complaints during the year. All the complaints were resolved during the year to the satisfaction of the shareholders/investors and no complaints were pending as at the close of the financial year.

One Meeting of the Shareholder/ Investor Grievance and Share Transfer Committee was held on 6th February, 2013 which was attended by Mr. Susim Mukul Datta and Mr. Anjan Chatterjee.

6. IPO Committee:

The IPO Committee of the Company was constituted to give effect to the Initial Public Offering of the Company and issue of equity shares. As on 31st March, 2013 the Committee comprised of three members namely Mr. Anjan Chatterjee, Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee.

During the financial year 2012-13, the IPO Committee met seven times on 4th May, 2012, 9th May, 2012, 13th May, 2012, 15th May, 2012, 21st May, 2012, 22nd May, 2012 and 24th May, 2012.

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

Name of the Director	Designation	Category of Directorship	No. of meetings during the year	
			Held	Attended
Mr. Anjan Chatterjee	Member	Managing Director	7	5
Mrs. Suchhanda Chatterjee	Member	Whole-time Director	7	6
Mr. Indranil Chatterjee	Member	Whole-time Director	7	7

Terms of reference:

- a) To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the Issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- b) To appoint and enter into arrangements with the book running lead managers, underwriters to the Issue, syndicate member(s) to the Issue, brokers to the Issue, escrow collection bankers to the Issue, registrars, legal advisors and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the Book Running Lead Managers ("BRLMs") mandate letter, negotiation, finalisation and execution of the Issue Agreement with the ("BRLM(s)") etc.;
- c) To finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the Registrar to the Issue, Legal Advisors, Auditors, Stock Exchange(s), ("BRLM(s)") and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- d) To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus for the issue of equity shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications and the related corrigenda/ addendum/advertisements as may be required by Securities and Exchange Board of India (SEBI) or any other relevant Governmental and Statutory authorities;
- e) To make applications, if necessary, to the Reserve Bank of India, or to any other Statutory or Governmental Authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments/ alterations/corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;
- f) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the company to execute all documents/deeds as may be necessary in this regard;
- g) To open and operate a bank account of the Company in terms of section 73(3) of the Companies Act, 1956 and to authorise one or more officers of the company to execute all documents/deeds as may be necessary in this regard;
- h) To determine and finalise the floor price/price band for the Issue, allocation, approve the basis for allotment and confirm allotment of the equity shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the ("BRLM(s)") and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue;

- i) To issue receipts/allotment letters/confirmations of allocation notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the company to sign all or any of the aforesaid documents;
- j) To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- k) To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, Registrar & Transfer Agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the company to execute all or any of the aforesaid documents;
- l) To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Issue;
- m) To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;
- n) To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.
- o) To delegate any of the powers mentioned in (a) to (n) to the following persons, namely Mr. Anjan Chatterjee and Mr. Indranil Chatterjee.

7. Remuneration to Directors:

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

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

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

Sr. No.	Name of the Director	Designation	Salary and Allowances (Rs.)	Company's contribution to Provident Fund (Rs.)	Sitting Fees (Rs.)
1	Mr. Anjan Chatterjee	Managing Director	3,348,387	NIL	NIL
2	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Aesthetics)	1,875,000	NIL	NIL
3	Mr. Indranil Chatterjee	Whole-time Director (Executive Director)	1,725,000	NIL	NIL

During the year, the Company has not granted any stock option to the Managing Director/Whole-time Directors.

7.2 Remuneration paid to Non-Executive Directors of the Company:

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

Besides the sitting fees, all Non-Executive Directors will also be paid commission on annual and including basis within the overall limit of 1% of the net profits of the Company for a period of five years commencing from the financial year ending 31st March, 2013.

The amount and the quantum of commission payable to the Non-Executive Directors will be decided by the Board after approval of the shareholders.

The details of sitting fees paid during the financial year 2012-13 are as under:-

Sr. No.	Name of the Director	Sitting fees paid for 2012-13 (Rs.)
1	Mr. Susim Mukul Datta	55,000
2	Mr. Jyotin Mehta	87,500
3	Mr. Tara Sankar Bhattacharya	70,000
4	Mr. Dushyant Mehta	77,500

8. General Body Meetings:

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

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution
1	2011-12	13th AGM	28.09.2012	3.00 p.m.	Confederation of Indian Industry, Suresh Neotia Centre of Excellence for Leadership, DC-36, Sector-I, Salt Lake, Kolkata-700 064.	Resolution No. 6: Adoption of new Articles of Association of the Company. Resolution No. 7: Introduction and Implementation of Speciality Restaurants Limited-Employee Stock Option Scheme 2012.
2	2010-11	12th AGM	21.07.2011	1.30 p.m.	Uniworth House, 3A, Gurusaday Road, Kolkata 700 019.	N. A.
3	2009-10	11th AGM	30.09.2010	2.00 p.m.	Uniworth House, 3A, Gurusaday Road, Kolkata 700 019.	N. A.

All the resolutions as set out in the respective notices were passed unanimously by a show of hands by the Members present at the said Annual General Meetings.

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

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

8.2 Postal Ballot:

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

9. Subsidiary Company:

The Company does not have any subsidiary company.

10. Other Disclosures:

A. Disclosure of Related Party Transactions:

The transactions between the Company and the Directors and Companies in which the Directors are interested are disclosed in Note No. 30 of the Financial Statements in compliance with the Accounting Standard relating to "Related Party Disclosures". There is no materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large.

B. Disclosure of Accounting Treatment:

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

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

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

(Rs. In Lacs)

	Plan as approved by the members of the company	Utilisation upto 31st March, 2013.	Balance
(i) Development of new restaurants	13,160	2,454	10,706
(ii) Development of a food plaza	1,510	-	1,510
(iii) Repayment of Term Loan facilities	942	942	-
(iv) General Corporate Purpose	105	-	105
	15,717	3,396	12,321
(v) Issue related expenses	1,892	1,836	56
Total	17,609	5,232	12,377

D. Details of Non-compliance:

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

E. Code of Conduct:

All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on 31st March, 2013. The Code of Conduct has been posted on the Company's website (www.speciality.co.in)

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

F. Managing Director and CFO Certification:

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

11. Means of Communication:

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

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

12. General Shareholders Information:

1. Fourteenth Annual General Meeting:-

Day and Date:	Tuesday, 13th August, 2013
Time	3.00 p.m
Venue	Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017.

2. Financial Calendar for 2013-14 (Tentative)

Financial reporting for the quarter ending 30th June, 2013.	2nd Week of August, 2013
Financial reporting for the quarter/half year ending 30th September, 2013.	2nd week of November, 2013
Financial reporting for the quarter ending 31st December, 2013.	2nd week of February, 2014
Financial reporting for the year ending March, 2014.	Last week of May, 2014

3. Book-closure date:

Friday, 2nd August, 2013 to
Tuesday, 13th August, 2013
(Both days inclusive)

4. Dividend Payment Date:

On 17th August, 2013, if declared at Annual General Meeting on 13th August, 2013.

5. Listing Details:

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

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

"Exchange Plaza",
Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai 400 051.

BSE Limited, ("BSE")

Phiroze Jeejhabhoy Towers,
Dalal Street,
Mumbai 400 001.

6. Stock Codes:

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

The Listing Fees have been paid to NSE and BSE for the financial year 2013-14.

7. Stock Market Data:

The high/low of the market price of the shares of the Company from the month in which the Company's Equity Shares were listed is given below.

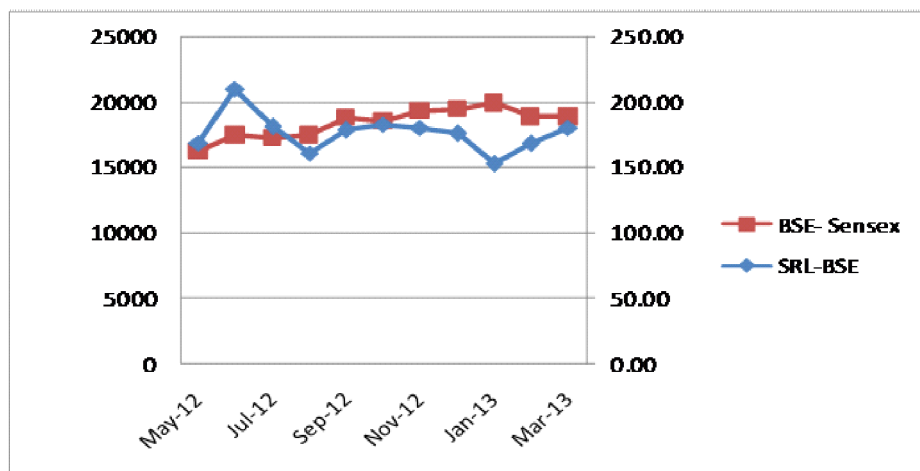
Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Rs.	Low Rs.	Sensex Closing	High Rs.	Low Rs.	S&P CNX NIFTY (Closing)
May 2012	168.65	152.90	16218.53	167.55	152.00	4924.25
June 2012	227.00	161.25	17429.98	227.00	160.30	5278.90
July 2012	226.25	177.00	17236.18	225.85	177.00	5229.00
August 2012	195.50	155.25	17429.56	195.80	155.10	5258.50
September 2012	194.70	157.00	18762.74	194.90	154.00	5703.30
October 2012	198.20	177.60	18505.38	198.00	179.00	5619.70
November 2012	193.40	169.00	19339.90	193.25	172.20	5879.85
December 2012	185.00	168.00	19426.71	184.00	168.05	5905.10
January 2013	195.85	171.10	19894.98	195.75	171.10	6034.75
February 2013	181.00	141.30	18861.54	180.00	142.15	5693.05
March 2013	174.00	147.00	18835.77	174.90	145.00	5682.55

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

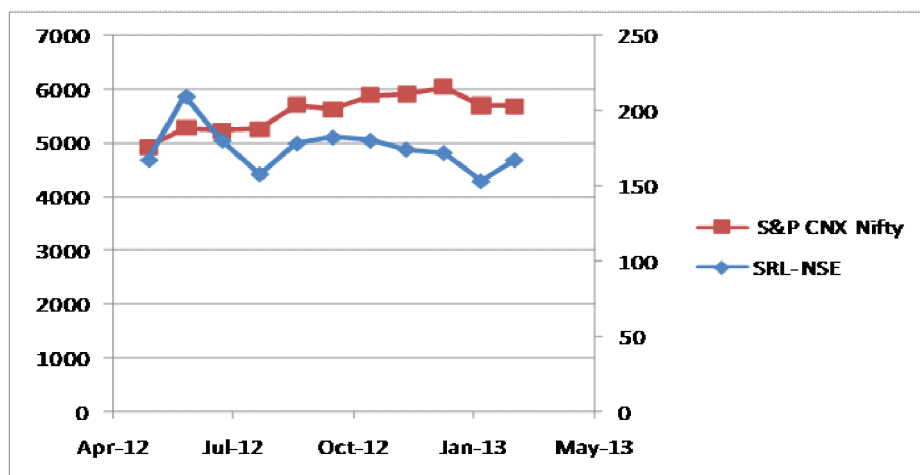
8. Stock Performance in comparison to broad based indices such as BSE Sensex, etc:

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

Stock Performance of SRL vs. BSE Sensex:



Stock Performance of SRL vs. S&P CNX NIFTY



9. Registrar and Share Transfer Agents:

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

10. (a). Distribution of Shareholding as on 31.03.2013:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of shareholding
1-500	16450	91.62	1659114	3.53
501-1000	758	4.22	592467	1.26
1001-2000	409	2.28	592757	1.26
2001-3000	130	0.72	324479	0.69
3001-4000	48	0.27	170262	0.36
4001-5000	45	0.25	213787	0.46
5001-10000	49	0.27	361571	0.77
10000 and above	67	0.37	43043220	91.66
Total	17956	100.00	46957657	100.00

b. Shareholding Pattern as on 31st March, 2013:

Category	No. of Share held	% of Share holding
Promoters and their relatives	28499962	60.69
Foreign Company	4997640	10.64
Foreign Institutional Investors	2004212	4.27
Mutual Funds	3206377	6.83
Venture Capital Funds	364995	0.78
Financial Institutions	23009	0.05
Banks	1275	0.00
Public and Others	7860187	16.74
Total	46957657	100.00

11. Shares Transfer (Physical Form)

The Board has delegated the authority for approving the transfer, transmission, etc. of the Company's Equity Shares to the Shareholder/Investor Grievance and Share Transfer Committee comprising of Mr. Susim Mukul Datta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee. The share certificates in physical form are generally processed and returned within 30 days from the date of receipt, if the documents are clear in all respects.

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

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

12. Dematerialisation of Shares:

As on 31st March, 2013, 45,247,553 Equity Shares representing 96.36% of the paid-up Equity Share Capital have been dematerialised.

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

No GDRS/ADRS/Warrants or any convertible instruments has been issued by the Company during the financial year ended 31st March, 2013.

There were no warrants pending for conversion as on 31st March, 2013.

**14. Locations of Restaurants and Confectionaries as on 31.03.2013:****Location of Company owned Company operated restaurants: - (COCO Model)**

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Rd, Andheri (W), Mumbai- 400053.
2	Mainland China	14, Church Street, Bengaluru - 560001.
3	Mainland China	Hotel Tulip Aruna Complex, 144/145, Sterling Road, Nungambakkam, Chennai - 600034.
4	Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune - 411001.
5	Mainland China	Sakinaka Junction, Andheri Kurla Rd, Sakinaka, Mumbai - 400072.
6	Mainland China	3A, Gurusaday Road, Uniworth House, Kolkata-700019.
7	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
8	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048.
9	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
10	Mainland China	Shop No.2, Ground Floor, Block-A Wing, Building No.9, DLF Cyber City, Gurgaon, Haryana-122001.
11	Mainland China	South City Mall, Shop No.313, 3rd Floor, 375 Prince Anwar Shah Road, Kolkata-700068.
12	Mainland China	3rd Floor, Silver Arcade, 5, J.B.S. Halden Avenue, T1-T2 (EM Bypass), Kolkata-700105.
13	Mainland China	1st Floor, City Park, Central Avenue, Hiranandani Business Park, Hiranandani, Powai, Mumbai-400076.
14	Mainland China	Suburbia Mall, 6th Floor, Linking Road, Bandra (West), Mumbai-400050.
15	Mainland China	Shop No.1, 2nd Floor, Block 'A', Sobo Central, Cross Road, Tardeo, Haji Ali, Mumbai-400034.
16	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
17	Mainland China	Plot No. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703.
18	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
19	Mainland China	136, 1st Cross, 5th Block, Jyoti Niwas, College, Road, Opp. Java City, Koramangala, Bengaluru-560095.
20	Mainland China	19, 5th Block, 5th Main Road, 40th cross, Jayanagar, Bengaluru-560041.
21	Mainland China	Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
22	Mainland China	Dreams Hotel, S.A.Road, Ernakulam Junction, Cochin-682020.
23	Mainland China	Ground and First Floor, No. 39, Bazullah Road, T.Nagar, Chennai-600017.
24	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301.
25	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
26	Mainland China	First Floor, 5/360, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai-600097.
27	Mainland China	Orion Mall, Brigade Gateway, 26/1, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055.
28	Mainland China	EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028.
29	Mainland China	Unit No. S-00, Growel 101 Mall, Kandivali (East), Mumbai-400101.
30	Mainland China	28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
31	Mainland China	Caculo Mall, 4th Floor, Level 5, New Shanta, St.Inez, Panjim, Goa - 403001.
32	Oh! Calcutta	10/3, Elgin Road, 4th Floor, Forum Mall, Kolkata - 700017.



33	Oh! Calcutta	Hotel Rosewood, 99/c, Tulsiwadi, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.
34	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053.
35	Oh! Calcutta	Ground Floor, Block "E", American Plaza, International Trade Tower, Nehru Place, New Delhi-110019.
36	Oh! Calcutta	3rd Floor, Silver Arcade, 5 J.B.S. Halden Avenue, T-1, T-2 (EM Bypass), Kolkata - 700105.
37	Oh! Calcutta	15/16, House of Lords, ST. Marks Road, Bengaluru - 560001.
38	Oh! Calcutta	City Point, Ground Floor, 17-A, Dhole Patil Rd, Pune - 411001.
39	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
40	Sigree	City Tower, Dhole Patil Road, Pune-411011.
41	Sigree	5th Floor, Hotel Aruna Complex, 144/145, Sterling Rd, Nungambakkam, Chennai-600034.
42	Sigree	1st Floor, Silver Arcade, 5 J.B.S. Halden Avenue, T-1, T-2, (EM PASS), Kolkata - 700105.
43	Sigree	Bldg. /Plot No. 6-3-1186/1/1, First Floor, Near. ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
44	Sigree	Plot No. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703.
45	Sigree-Global Grill, Powai	1st Floor, Ventura Shopping, Central Avenue, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
46	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
47	Flame & Grill	Shop No 310, South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700068.
48	Flame & Grill	4th Floor, Mani Square, Shop No. 403/404, 164/1 Manicktala Main Road, E.M.By Pass, Kolkata-700054.
49	Flame & Grill	Building No.6-3-1186/1/1, 5thFloor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
50	Flame & Grill	14, Church Street, Bengaluru-560001.
51	Flame & Grill	Shop No. G-74, Prozone Mall, Chikhalathana, Plot No. 80, Aurangabad-431210.
52	Machaan	Unit No.812, 8th Floor, Palm Spring, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064.
53	Machaan	4th Floor, Mani Square, Shop No. 407, 164/1, Manicktala Main Road, EM Bypass, Kolkata - 700054.
54	Haka	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
55	Haka	Aditya Plaza, 10, Bhouma Nagar, Near Orissa Housing Board, Unit No. 4, Bhubaneswar-721001.
56	Haka	Mani Square, 4th Floor, Shop No. 403/404, 164/1 Manicktala Main Road, E.M.By Pass, Kolkata-700054.
57	Shacks	4th Floor, Mani Square, Shop No. 403/404, 164/1, Maniktala Main Road, EM Bypass, Kolkata - 700054.
58	Kibbeh	Building No.6-3-1186/1/1, 4th Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
59	Kix	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.

Location of Franchise owned Company operated restaurants: - (FOCO Model)

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	4th Floor, Dona Planet, G S Road, Guwahati-781005.
2	Mainland China	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
3	Mainland China	3rd Floor, Center Square Mall, Near Genda Circle, Sarabhai Road, Vadodara-390007.



4	Mainland China	A1/ (a), IRC Village, Nayapalli, Bhubaneswar-751015.
5	Mainland China	S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019.
6	Mainland China	Plot Nos. 18 & 19, 1st, 2nd & 3rd Floor, Pakhowal Road, Ludhiana-141001.
7	Mainland China	Riverside Mall, Plot No. 3, 3rd Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010.
8	Mainland China	Shop No.301, 3rd Floor, Junction Mall, Durgapur-713216.
9	Mainland China	Dunda Shahi Complex, Baker Ganj, Hatwa Market, Patna-800004.
10	Mainland China	Regent High Street Mall, 3rd Floor, Opp: IDBI Bank, Ghod Dod Road, Surat-395007.
11	Mainland China	Gulmohar Mall, 4th Floor, Satellite Road, Ahmedabad-380015.
12	Mainland China	Siam Tower, Road No.15, Sector 3, Uttara Model Town, Dhaka-1230, Bangladesh.
13	Mainland China	3rd Floor, Inland Galore, Kankanady Bye Pass Road, Mangalore-575002.
14	Mainland China	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagar Banerjee Ghat Road, Howrah-711102.
15	Mainland China	S.C. O. 26, Sector-29, Gurgaon-122002.
16	Mainland China	Srinivasan Towers, NBR 5 Centoph Road, Chennai-600018.
17	Oh! Calcutta	4th&5th Floor Road No. 11, House No.49, Block -H, Banani Dhaka, Bangladesh.
18	Flame & Grill	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
19	Flame & Grill	Plot Nos. 18 & 19, 1st, 2nd & 3rd Floor, Pakhowal Road, Ludhiana-141001.
20	Machaan	Plot No. 13, Near Wasan Bajaj Showroom, Mumbai-Agra Road, Mumbai Naka, Nashik-422002.
21	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagar Banerjee Ghat Road, Howrah-711102.
22	Machaan	Regent High Street Mall, 3rd Floor, Opp: IDBI Bank, Ghod Dod Road, Surat-395007.
23	Machaan	4th Floor, Dona Planet, G S Road, Guwahati-781005.

Confectionaries (Company Owned and Company Operated)

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Sweet Bengal	Shop. No. 9, Saooli Bldg., Opp. Andheri Sports Complex, J. P. Road, Andheri (W), Mumbai-400053.
2	Sweet Bengal	Shop No. 8, Kenwood Bldg., Ambedkar Road, Bandra (W), Mumbai-400050.
3	Sweet Bengal	Shop. No. 8, Fairlawn Co-op. Hsg. Society, Near Bahri Petrol Pump, Tombay Road, Chembur, Mumbai-400071.
4	Sweet Bengal	Shop No.30, Maker Arcade, Maker Towers Shopping Centre, Cuffe Parade, Mumbai-400005.
5	Sweet Bengal	Food Bazaar, Palladium Mall, Phoenix Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400016.
6	Sweet Bengal	29, Om Geeta Niwas, Shivaji Park, Mahim, Mumbai-400016.
7	Sweet Bengal	Shop No.4, Shivgauri Apts, Ahimsha Marg, Off. Link Road, Malad (W), Mumbai- 400064.
8	Sweet Bengal	Shop No.10, Matru Hashish, Nepean Sea Road, Mumbai-400036.
9	Sweet Bengal	Shop No.126, Galleria Shopping Complex, Hiranandani Gardens, Powai, Mumbai - 400076.
10	Sweet Bengal	2, Shaswat, M.G.Road, Opp: Jain Mandir, Vile Parle (E), Mumbai-400057.
11	Sweet Bengal	Plot No. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30A, Vashi, Navi Mumbai-400703.
12	Sweet Bengal	L-12, Gokuldham Shopping Center, Gokuldham, Goregaon (East), Mumbai - 400 063.
13	Sweet Bengal	Shop No.29, EMP No. 52, EvershineHalley Co-operative Housing Society, Thakur Village, Kandivali East, Mumbai - 400 101.
14	Sweet Bengal	Queens Gate, Shop No.6, Ghodbunder Road, Hiranandani Estate, Thane-400607.

15. Address for correspondence:

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

Tel No. (91 22) 2594 6970 -78. Fax No. (91 22) 2594 6969. E mail: investor@linkintime.co.in.

Website: www.linkintime.co.in.

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

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

(B). Non-Mandatory Requirements:

a) Chairman of the Board

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

b) Remuneration Committee:-

The Company has constituted a Board Governance and Remuneration Committee.

c) Shareholders' Rights:-

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

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

d) Audit Qualifications:-

The Auditors have issued an unqualified opinion for the year ended 31st March, 2013.

e) Training of Board Members:-

All the Directors have expertise in their areas of specialization.

f) Mechanism for evaluating Non-Executive Directors:-

At present the Company is not having any mechanism for evaluation of Non-Executive Directors.

g) Whistle Blower Policy:-

At present the Company has not adopted any policy relating to Whistle Blower.

15. Code of Conduct for Prevention of Insider Trading

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

DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and senior management of the Company have affirmed compliance with Code of Conduct of the Company for the financial year ended 31st March, 2013.

Anjan Chatterjee

Place: Mumbai
Date: 29th May, 2013

CERTIFICATION BY MD/CFO**(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)**

To,
The Board of Directors of Speciality Restaurants Limited.

SUB: MD/CFO Certificate

Dear Sirs,

We have reviewed financial statements, read with the cash flow statement of SPECIALITY RESTAURANTS LIMITED for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:

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

Your Sincerely

Anjan Chatterjee
Managing Director

Rajesh Kumar Mohta
Chief Financial officer

Place: Mumbai
Date: 29th May, 2013



AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by **SPECIALITY RESTAURANTS LIMITED** for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

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

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

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

**For GMJ & Associates
Company Secretaries**

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

Place: Mumbai
Date: 29 May, 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SPECIALITY RESTAURANTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. : 117366W)

Porus B. Pardiwalla
Partner
(Membership No. 40005)

MUMBAI 29 May, 2013

Annexure to the Independent Auditors' Report

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

- 1 Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (viii), (x), (xii), (xiii), (xiv), (xv), (xviii) and (xix) of CARO are not applicable to the Company.
- 2 In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. In respect of its inventories:
 - a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
4. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (a) At the year-end, the outstanding balance is Nil and the maximum amount involved during the year was Rs.23,265,461/- (number of parties -2). The Company has not granted any loans during the current year.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There are no overdue amounts in excess of Rs. 1 lakh outstanding as at the year-end.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) At the year-end, the outstanding balance is Nil and the maximum amount involved during the year was Rs.55,817,546/-(number of parties - 5). The Company has not taken any loan during the year.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.
5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
6. In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the Register, maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
7. In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

8. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income tax, VAT, Wealth-tax, Service tax, Customs duty, Cess, and any other material statutory dues applicable to it with the appropriate authorities.
 - There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income tax, VAT, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.
 - Details of dues of Income Tax and VAT which have not been deposited as on 31st March 2013 on account of disputes are given below:-

(Rs. In Millions)

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	18.45	2009-10	Deputy Commissioner
		2.86	2010-11 and 2011-12	Commissioner
Bombay Sales tax Act, 1959	Sales Tax	0.10	1999-00	Sales tax Appellate Tribunal
Tamil Nadu VAT Act 2006		1.46	2006-07	Assistant Commissioner
		6.90	2007-08	Assistant Commissioner
		8.81	2008-09	Assistant Commissioner

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

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. : 117366W)

P. B. Pardiwalla
Partner
(Membership No. 40005)

Mumbai, dated: 29 May 2013

BALANCE SHEET

Rs. In Millions

Particulars	Note No.		As at 31 March 2013		As at 31 March 2012
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	3		469.58		352.18
(b) Reserves and Surplus	4		2,435.61		796.45
(2) Non-Current Liabilities					
(a) Long-term borrowings	5		1.01		153.10
(b) Long-term provisions	6		5.16		1.80
(3) Current Liabilities					
(a) Short-term borrowings	7		0.00		69.81
(b) Trade payables	8		232.32		214.63
(c) Other current liabilities	9		53.75		123.72
(d) Short-term provisions	10		64.39		12.64
Total			3,261.82		1,724.33
II. Assets					
(1) Non-current assets					
(a) Fixed assets	11				
(i) Tangible assets		834.75		717.29	
(ii) Intangible assets		11.96		10.59	
(iii) Capital work-in-progress		174.38	1,021.09	151.48	879.36
(b) Non-current investments	12		0.08		0.05
(c) Deferred tax assets (net)			63.06		43.21
(d) Long-term loans and advances	13		498.73		369.52
(2) Current assets					
(a) Current investments	14		1,364.30		150.29
(b) Inventories	15		28.25		20.24
(c) Trade receivables	16		114.56		73.78
(d) Cash and cash equivalents	17		98.03		47.13
(e) Short-term loans and advances	13		73.72		83.54
(f) Other current assets	18		-		57.21
Total			3,261.82		1,724.33
Significant accounting policies	2				
The accompanying Notes 1 to 37 are an integral part of the financial statements					

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

P. B. PARDIWALLA
Partner

Susim Mukul Dutta
Chairman

Anjan Chatterjee
Managing Director

T. S. Bhattacharya
Director

V. S. Satyamoorthy
Company Secretary

Place: Mumbai
Date : 29 May 2013

Place: Mumbai
Date : 29 May 2013



STATEMENT OF PROFIT AND LOSS

Rs. In Millions

Particulars	Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. Revenue from operations	19	2,269.24	1,962.30
II. Other Income	20	91.58	27.10
III. Total Revenue (I +II)		2,360.82	1,989.40
IV. Expenses:			
Cost of materials consumed	21	609.58	510.23
Employee benefits expense	22	512.84	423.13
Finance costs	23	4.97	26.64
Depreciation/amortization/impairment	11	149.27	128.66
Other expenses	24	779.34	653.96
Total Expenses		2,056.00	1,742.62
V. Profit before tax (III -IV)		304.82	246.78
VI. Tax expense:			
(1) Current tax	29	90.53	93.56
(2) Deferred tax		(19.85)	(19.21)
VII. Profit for the year (V - VI)		234.14	172.43
VIII. Earnings per equity share (of Rs. 10/- each):			
(1) Basic (in Rs.)		5.17	5.57
(2) Diluted		Refer note 31	Refer note 31
Significant accounting policies	2		
The accompanying Notes 1 to 37 are an integral part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS

Chartered Accountants

P. B. PARDIWALLA

Partner

For and on behalf of the Board of Directors

Susim Mukul Dutta

Chairman

Anjan Chatterjee

Managing Director

T. S. Bhattacharya

Director

V. S. Satyamoorthy

Company Secretary

Place: Mumbai

Date : 29 May 2013

Place: Mumbai

Date : 29 May 2013

CASH FLOW STATEMENT

Rs. In Millions

PARTICULARS	For the year ended 31 March 2013	For the year ended 31 March 2012
Cash flow from Operating Activities		
Profit before tax	304.82	246.78
Adjustments for:		
Depreciation / Amortisation / Impairment	149.27	128.66
Loss on Sale of Fixed Assets	0.13	0.31
Profit on Sale of Fixed Assets	(0.19)	-
Profit on Sale of Investments	-	(0.36)
Loss on Sale of Investments	-	0.01
Finance costs	4.97	26.64
Interest from Banks/Others	(5.81)	(5.14)
Dividend on current investments	(83.65)	(15.65)
Provision for doubtful debts & advances	19.85	1.12
Foreign exchange Gain (Net)	(0.45)	(0.82)
Excess credit balances written back (Net)	(1.08)	(4.50)
Operating Profit before working capital changes	387.86	377.04
Adjustments for (increase)/decrease in operating assets		
Inventories	(8.01)	(0.48)
Trade receivables	(58.97)	(23.71)
Short-term loans and advances	9.81	2.17
Long-term loans and advances	(86.74)	(106.36)
Other current assets	-	-
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	20.02	(22.98)
Other current liabilities	(1.79)	10.59
Short-term provisions	(0.23)	0.00
Long-term provisions	3.36	(1.74)
Cash generated from operations	265.31	234.53
Net income tax paid	(94.91)	(94.63)
A. Net Cash generated from operating activities (A)	170.40	139.90
B. Cash flow from Investing Activities		
Capital expenditure on fixed assets	(334.93)	(314.64)
Proceeds from Sale of fixed assets	0.77	2.69
Purchase of Current investments	(4,463.31)	(628.50)
Proceeds from sale of Current investments	3,249.31	729.25
Purchase of long-term investments	(0.03)	(0.01)
Interest received	5.52	5.14
Dividend received	83.65	15.65
Fixed Deposits held as Security against Bank Gaurantees	-	(4.65)
Fixed Deposits held as security against Bank Gaurantees released	3.55	-
B. Net cash used in Investing Activities (B)	(1,455.47)	(195.07)
C. Cash flow from Financing Activities		
Proceeds from Issue of Equity Shares	1,760.91	-
Proceeds from long-term borrowings	-	(42.62)
Repayment of long-term borrowings	(220.27)	97.41
Proceeds from other short-term borrowings	-	39.92
Repayment of other short-term borrowings	(69.80)	-
Finance costs	(4.97)	(26.64)
Share issue expenses	(126.35)	(18.22)
C. Net cash generated from Financing Activities (C)	1,339.52	49.85
Net Increase/(Decrease) in cash and cash equivalents (A+B+C) = (D)	54.45	(5.32)
Cash and cash equivalents at beginning of the year (E)	41.46	46.78
Cash and cash equivalents at end of the year (D)+(E)	95.91	41.46
Reconciliation of Cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as per Balance Sheet (Note 17)	98.03	47.13
Less: Fixed Deposits held as security against Bank Gaurantees	2.12	5.67
Cash and cash equivalents at the end of the year	95.91	41.46

The accompanying Notes 1 to 37 are an integral part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

P. B. PARDIWALLA
Partner

For and on behalf of the Board of Directors

Susim Mukul Dutta
Chairman

Anjan Chatterjee
Managing Director

T. S. Bhattacharya
Director

V. S. Satyamoorthy
Company Secretary

Place: Mumbai
Date : 29 May 2013

Place: Mumbai
Date : 29 May 2013

NOTES TO FINANCIAL STATEMENTS

1 COMPANY BACKGROUND

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

On 30 May 2012 the Equity Shares of the Company were listed on the Bombay Stock Exchange and the National Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of financial Statements.

The financial statements have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles and the provisions of the Companies Act, 1956.

b) Use of estimates

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

c) Fixed Assets and Depreciation/Amortization

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

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

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

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

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

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

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

Trademarks are amortized uniformly over a period of five years.

d) Impairment of Assets

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

e) Investments

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

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

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

f) Revenue Recognition

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

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

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

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognized on formalization of the franchise agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchise agreement commences operations or not.

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

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

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

g) Inventories:

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

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

h) Employee Benefits

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

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

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

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

i) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at the prevailing rates of exchange on the date of the transaction.

Monetary items denominated in foreign currencies, are restated at the prevailing rates of exchange at the Balance Sheet date. All gains and losses arising out of fluctuations in exchange rates are accounted for in the Statement of Profit and Loss.

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

j) Borrowing costs

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

k) Income Tax

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

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

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

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

l) Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

m) Operating leases

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

as applicable:

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

n) Securities Expenses

Expenses on issue of securities are written off to the securities premium account in accordance with Section 78 of the Act.

o) 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.

p) Contingent liabilities

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.

Notes forming part of Financial Statements

3 Share Capital

Particulars	2012-2013		2011-2012	
	Number of shares	Rs. In Millions	Number of shares	Rs. In Millions
a. <u>Authorised</u>				
Equity Shares of the par value of Rs. 10 each	5,10,00,000	510.00	5,10,00,000	510.00
Compulsorily Convertible Preference Shares of the par value of Rs. 10 each	70,00,000	70.00	70,00,000	70.00
	5,80,00,000	580.00	5,80,00,000	580.00
b. <u>Issued & Subscribed</u>				
Equity Shares				
Equity Shares of Rs.10 each	4,69,57,657	469.58	3,52,18,242	352.18
(Of the above shares, 6,689,118 equity shares are allotted as fully paid-up equity shares on conversion of Compulsorily Convertible Preference shares)				
(Of the above shares, 27,029,124 equity shares are allotted as fully paid-up bonus shares by capitalisation of the Securities Premium Account)				
(a) Reconciliation of number of shares outstanding at the beginning and end of the year :				
Outstanding at the beginning of the year	3,52,18,242		2,85,30,742	
Add: IPO issue of Equity Shares-Initial Public Offering	1,17,39,415		-	
Add: Conversion of Compulsorily Convertible Preference Shares	-		66,87,500	
Outstanding at the end of the year	4,69,57,657		3,52,18,242	
(b) Rights, preferences and restrictions attached to equity shares				

<p>The company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.</p> <p>(c) Shareholders holding more than 5% equity shares in the company are set out below:</p> <p>Anjan Chatterjee</p> <p>No. of shares</p> <p>% Holding</p> <p>Suchhanda Chatterjee</p> <p>No. of shares</p> <p>% Holding</p> <p>Saif III Mauritius Company Limited</p> <p>No. of shares</p> <p>% Holding</p>				
	1,65,29,905		1,65,29,905	
	35.20		46.94	
	1,19,70,000		1,19,70,000	
	25.49		33.99	
	49,97,640		49,97,640	
	10.64		14.19	
		469.58		352.18

4 Reserves & Surplus

Particulars	Rs. In Millions	
	2012-2013	2011-2012
a. <u>Capital Reserve</u>		
As per last balance sheet		
Capital profit on forfeiture of share warrants, option not exercised by warrant holders	1.67	1.67
b. <u>Securities Premium Account</u>		
At the beginning of the year	166.54	169.36
Add: IPO issue of 11,739,415 Equity Shares (Previous year - Nil) at a premium of Rs. 140 per share	1,643.52	-
Less: Conversion of Compulsorily Convertible Preference Shares into Equity Shares	-	2.82
Less: Utilised during the year towards share issue expenses	183.56	-
At the end of the year	1,626.50	166.54
c. <u>Surplus in Statement of Profit and Loss</u>		
At the beginning of the year	628.24	455.81
Add: Net Profit for the year	234.14	172.43
Less: Appropriations:		
Proposed Dividend on Equity shares (Rs. 1 per share)	46.96	-
Corporate Dividend Tax	7.98	-
At the end of the year	807.44	628.24
	2,435.61	796.45

5 Long-term Borrowings

Particulars	Rs. In Millions	
	Non-Current	
	2012-2013	2011-2012
A Secured Loans		
I Term Loans		
From Banks		
i) Term Loan (Refer note 9 for the current maturity details of the long term loan)	-	95.01
1) <u>Details of Security</u>		
Secured by:		
(a) First and exclusive charge on Fixed Assets of the company created out of term loan tranches disbursed by Kotak Mahindra Bank.		
(b) Mortgage by way of exclusive charge on the immovable properties being office premises situated at offices 301 to 305, 3rd floor and offices 501 to 505, 5th floor at Hari om Chambers, Veera Industrial Estate, New Link road, Andheri West, Mumbai, Maharashtra, belonging to M/s. Situations Advertising and Marketing Services Pvt. Ltd (an entity over which two Directors are able to exercise control).		
(c) Personal Gaurantees of two Directors and Corporate gaurantee of M/s. Situations Advertising and Marketing Services Pvt. Ltd (an entity over which two directors are able to exercise control) to the extent of the value of the mortgaged property under its ownership.		
2) <u>Repayment terms</u>		
a) Repayable in 10 equal Semi Annual Installments falling due in December and June for a tenor of 5 years commencing from F.Y. 2011-2012		
b) Maturity with respect to the Balance Sheet date : Fully repaid during the current year		
II Long term maturities of finance lease obligations		
Car Loans (Refer note 9 for the current maturity details of the finance lease obligations)	1.01	2.27
1) <u>Details of Security</u>		
Secured by a specific charge on the assets purchased.		
2) <u>Repayment terms</u>		
a) Monthly Installments payable over a period of 36 months from loan disbursements		
b) Maturity with respect to the Balance Sheet date : 1 - 23 monthly installments due over the period April 13 - February 15		
	1.01	97.28
B Unsecured Loans		
i) Loans from Related Parties		
From Directors	-	46.58
From Others	-	9.24
Repayment terms		
The above loans were required to be retained till the repayment of the Term Loans from Banks.		
	-	55.82
	1.01	153.10

6 Long-term Provisions

Particulars	Rs. In Millions	
	2012-2013	2011-2012
For Employee Benefits (Refer Note 10 for Short Term Provisions)	-	1.80
For Rent	5.16	-
	5.16	1.80

7 Short-Term Borrowings

		Rs. In Millions	
Particulars	2012-2013	2011-2012	
Secured Loans			
Loans repayable on demand			
- From Banks (As at 31 March 2013 - Rs. 2,792)	0.00	69.81	
b. <u>Details of Security</u>			
Secured by first and exclusive charge on all existing and future credit card receivables and personal guarantees of two Directors.			
c. <u>Repayment terms</u>			
Repayable on demand			
	0.00	69.81	

8 Trade Payables

		Rs. In Millions	
Particulars	2012-2013	2011-2012	
Sundry Creditors	232.32	214.63	
	232.32	214.63	

Note:

Micro, Small and Medium Enterprises

The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and receipt of confirmations from such parties. This has been relied upon by the auditors. The disclosures relating Micro & Small Enterprises as at 31st March 2013 are as under:

		Rs. In Millions	
Description	2012-2013	2011-2012	
(i) Principal amount remaining unpaid to any supplier as at the end of the year	0.25	0.18	
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-	
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	
(iv) The amount of interest due and payable for the year	-	-	
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-	
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	

9 Other Current Liabilities

		Rs. In Millions	
Particulars	2012-2013	2011-2012	
a. Current Maturities of Long Term loans (Refer Note 5)			
- Term Loan	-	40.66	
- Other loan	-	27.15	
b. Current Maturities of Finance Lease obligations (Refer Note 5)	1.20	1.57	
c. Other Payables			
(i) Statutory remittances	33.84	27.01	
(ii) Payables on purchase of fixed assets	17.72	26.34	
(iii) Others	0.99	0.99	
	53.75	123.72	

Other Payables include amounts deducted from employees' salaries towards contribution to the Employees Contingency Fund, which is proposed to be established by the Company.

10 Short Term Provisions

Particulars	Rs. In Millions	
	2012-2013	2011-2012
For Employee Benefits	9.45	9.68
For Income Taxes (net)	-	2.96
For Proposed Dividend	46.96	-
For Corporate Dividend Tax	7.98	-
	64.39	12.64

11 Fixed Assets

PARTICULARS	Gross Block				Depreciation / Amortisation / Impairment				Net Block	
	Balance as at 1 April 2012	Additions	Deductions	Balance as at 31 March 2013	Balance as at 1 April 2012	For the year	Deductions	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 31 March 2012
Tangible Assets										
<u>Land</u>										
Freehold	26.65	-	-	26.65	-	-	-	-	26.65	26.65
Leasehold	51.92	-	-	51.92	2.17	0.51	-	2.68	49.24	49.75
Leasehold Improvements	335.27	135.90	0.27	470.90	106.32	47.64	0.27	153.69	317.21	228.95
Plant and Equipment	408.78	59.44	0.37	467.85	173.48	37.14	0.25	210.37	257.48	235.30
Furniture and Fixtures	332.42	58.41	-	390.83	178.69	50.29	-	228.98	161.85	153.73
Computers	42.92	3.24	-	46.16	31.94	5.13	-	37.07	9.09	10.98
<u>Vehicles</u>										
Owned	10.61	6.74	1.59	15.76	4.57	2.60	1.27	5.90	9.86	6.04
Taken under finance lease	7.59	-	2.42	5.17	1.70	1.50	1.40	1.80	3.37	5.89
Tangibles Total (A)	1,216.16	263.73	4.65	1,475.24	498.87	144.81	3.19	640.49	834.75	717.29
Intangible Assets										
Software	16.16	2.65	-	18.81	8.13	3.59	-	11.72	7.09	8.03
Patents and Trademarks	5.36	3.18	-	8.54	2.80	0.87	-	3.67	4.87	2.56
Intangibles Total (B)	21.52	5.83	-	27.35	10.93	4.46	-	15.39	11.96	10.59
Total (A+B)	1,237.68	269.56	4.65	1,502.59	509.80	149.27	3.19	655.88	846.71	727.88
Previous Year	1,035.03	252.87	50.22	1,237.68	409.69	128.66	28.55	509.80	727.88	

Note:

Depreciation for the year includes impairment charge aggregating to Rs. 1.70 Million (previous year Rs. 5.26 Million)

12 Non Current Investments

Particulars	Rs. In Millions	
	2012-2013	2011-2012
<u>Other investments (At cost)</u>		
<u>Unquoted</u>		
Investment in Government or Trust Securities (NSC deposited with Excise Authorities)	0.08	0.05
	0.08	0.05

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

Particulars	Long term		Short term	
	2012-2013	2011-2012	2012-2013	2011-2012
a. Capital Advances	86.60	43.39	-	-
b. Security deposits				
- Premises and Other Deposits (see note (ii) below)	385.75	288.26	4.04	12.49
c. Loans to related parties (Refer Note 30)	-	18.56	-	4.51
d. <u>Other loans and advances (See note (i) below)</u>				
Loans to employees	20.48	2.50	6.24	5.36

Advance to Suppliers and others	3.64	0.76	40.86	35.96
Income Taxes (Net)	1.86	0.45	-	-
Balances with government authorities	-	-	4.38	2.87
Prepayments and others	3.62	16.36	18.20	22.35
Less: Provision for Doubtful Loans and Advances	3.22	0.76	-	-
	26.38	19.31	69.68	66.54
	498.73	369.52	73.72	83.54

Note:

	Long term		Short term	
	2012-2013	2011-2012	2012-2013	2011-2012
(i) Considered Good				
Loans to employees	20.48	2.50	6.24	5.36
Advance to Suppliers and others	0.43	-	40.86	35.96
Income Taxes (Net)	1.86	0.45	-	-
Balances with government authorities	-	-	4.38	2.87
Prepayments and others	3.62	16.36	18.20	22.35
Total	26.38	19.31	69.68	66.54
Considered Doubtful				
Advance to Suppliers and others	3.22	0.76	-	-
Total	3.22	0.76	-	-

(ii) Premises and other deposits include amounts due from:

Particulars	2012-2013	2011-2012
<u>Directors</u>		
Anjan Chatterjee	1.50	1.50
Suchhanda Chatterjee	1.50	1.50
Anjan Chatterjee (HUF)	1.60	1.60
<u>Private Companies in which a director is a director or member</u>		
Situations Advertising & Marketing Services Private Limited	50.00	48.20
Havik Exports Private Limited	4.50	4.50
Prosperous Promotors Private Limited	28.11	5.00
Shruthi Hotels Enterprises Private Limited	3.00	3.00

Disclosure as per clause 32 of the listing agreement with stock exchanges

Loans and Advances in the nature of loans given to companies in which directors are interested

Prosperous Promotors Private Limited	-	23.03
Maximum balance outstanding during the year Rs. 23.22 million (Previous Year Rs. 25.38 million)		
Mainland Restaurants Private Limited	-	0.05
Maximum balance outstanding during the year Rs. 0.05 million (Previous Year Rs. 0.05 million)		

14 Current Investments

Rs. In Millions

Particulars	2012-2013			2011-2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<u>Investment in Mutual Funds (At lower of cost and fair value)</u>						
ICICI Prudential Interval 1 Quarterly Institutional Growth Nil (As at 31 March 2012 - 2,220,976) units of Rs. 10 each	-	-	-	25.25	-	25.25
SBI Debt Fund Series - 90 Days - 54 - Growth Nil (As at 31 March 2012 - 2,499,990) units of Rs. 10 each	-	-	-	25.00	-	25.00
SBI Debt Fund Series - 90 Days - 56 - Dividend Nil (As at 31 March 2012 - 3,839,579) units of Rs. 10 each	-	-	-	38.40	-	38.40



ICICI Prudential Money Market Fund Cash Option Daily Dividend Nil (As at 31 March 2012 - 100,459) units of Rs. 100 each	-	-	-	-	10.05	10.05
ICICI Prudential Flexible Income - Regular Plan-Daily Dividend-Re-investment 29,988 (As at 31 March 2012 - Nil) units of Rs. 100 each	-	3.17	3.17	-	-	-
Kotak Floater Long Term - Daily Dividend - Re-investment 2,885,843 (As at 31 March 2012 - 2,615,939) units of Rs. 10 each	-	29.09	29.09	-	26.37	26.37
Birla Sun Life Ultra Short Term Fund - Institutional Daily Dividend - Re-investment Nil (As at 31 March 2012 - 251,110) units of Rs. 100 each	-	-	-	-	25.12	25.12
UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (Formerly Daily Dividend Re-investment) 100 (As at 31 March 2012 - 97) units of Rs. 1,000 each	-	0.11	0.11	-	0.10	0.10
UTI Treasury Advantage Fund - Institutional plan - Daily Dividend - Re-investment 227,087 (As at 31 March 2012 - NIL) units of Rs. 1,000 each	-	227.14	227.14	-	-	-
Axis Liquid Fund - Daily Dividend - Re-investment 537 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	0.54	0.54	-	-	-
Kotak Liquid Scheme plan A - Daily Dividend - Re-investment 12,854 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	15.72	15.72	-	-	-
Reliance Money Manager Fund - Daily Dividend - Re-investment 411,698 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	412.26	412.26	-	-	-
ICICI Prudential interval fund Quarterly interval plan I - Direct plan - Dividend payout 2,502,220 (As at 31 March 2012 - Nil) units of Rs. 10 each	25.02	-	25.02	-	-	-
IDFC Fixed Term Plan Direct Plan Series 7- Quarterly Dividend 15,007,972 (As at 31 March 2012 - Nil) units of Rs. 10 each	150.08	-	150.08	-	-	-
SBI Magnum Income Fund Floating Rate Long Term - direct Plan - Daily Dividend - Re-investment 10,302,386 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	103.75	103.75	-	-	-
Franklin Templeton India Low Duration Fund - Direct Monthly Dividend - Re-investment 6,266,872 (As at 31 March 2012 - Nil) units of Rs. 10 each	-	65.00	65.00	-	-	-
Franklin Templeton India Low Duration Fund - Monthly Dividend - Re-investment 964,766 (As at 31 March 2012 - Nil) units of Rs. 10 each	-	10.00	10.00	-	-	-

Franklin Templeton India short term income retail plan - Direct - Monthly Dividend - Re-investment 162,802 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	190.00	190.00	-	-	-
Franklin Templeton India short term income retail plan - Monthly Dividend - Re-investment 8,578 (As at 31 March 2012 - Nil) units of Rs. 1,000 each	-	10.00	10.00	-	-	-
Sundram Flexible fund - Short Term Plan - Regular Daily Dividend - Re-investment 2,215,213 (As at 31 March 2012 - Nil) units of Rs. 10 each	-	22.27	22.27	-	-	-
Birla Sun Life Floating Rate -Long Term - Daily Dividend - Regular Plan Re-investment 999,919 (As at 31 March 2012 - Nil) units of Rs. 100 each	-	100.15	100.15	-	-	-
Total Book Value	175.10	1,189.20	1,364.30	88.65	61.64	150.29
<u>Note:</u> Market Value	176.31			89.96		

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

Rs. In Millions		
Particulars	2012-2013	2011-2012
<u>Inventories</u>		
Materials	23.13	17.37
Cutlery, crockery & other consumables	5.12	2.87
	28.25	20.24

16 Trade Receivables (Unsecured)

Rs. In Millions		
Particulars	2012-2013	2011-2012
Outstanding for a period exceeding six months from the due date of payment		
- Considered good	38.04	35.83
- Considered doubtful	17.75	0.36
Others		
- Considered good	76.52	37.95
- Considered doubtful	-	-
	132.31	74.14
Less: Provision for doubtful trade receivables	17.75	0.36
	114.56	73.78

17 Cash and Cash Equivalents

Rs. In Millions		
Particulars	2012-2013	2011-2012
<u>Cash and Bank balances</u>		
a. Balances with Banks:		
In Current Accounts	28.33	14.06
In Fixed Deposit accounts	63.60	29.56
b. Cash on Hand	6.10	3.51
	98.03	47.13
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	95.91	41.46
<u>Note:</u>		
1) Balances with banks include fixed deposits aggregating to Rs. 1.76 Million (Previous Year - Rs. 2.06 Million) which have an original maturity of more than 12 months.		
2) Fixed Deposits aggregating Rs. 2.12 Million (Previous Year - Rs. 5.67 Million) are held by a bank as security against Bank Guarantees.		

18 Other Current Assets

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Initial Public offer expenses, unamortised	-	57.21
	-	57.21

19 Revenue from Operations

Particulars	Rs. In Millions	
	2012-2013	2011-2012
<u>Income from sale of food and beverages</u>	2,148.29	1,878.14
<u>Franchise Income</u>		
- Initial Access Premium	63.94	34.07
- Royalty and Management Fees	51.18	42.44
<u>Other Operating revenues</u>		
Designing & Consulting fees	4.94	5.50
Income from Displays and Sponsorships	-	0.91
Sale of Scrap	0.89	1.24
	2,269.24	1,962.30

20 Other Income

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Interest received from Banks/Others	5.81	5.14
Dividend on current investments	83.65	15.65
Gain on sale of current investments (Net)	-	0.35
Foreign exchange gain (Net)	0.32	0.82
Excess Credit balances written back (Net)	1.08	4.50
Miscellaneous Income	0.72	0.64
	91.58	27.10

21 Cost of materials consumed

Particulars	Rs. In Millions	
	2012-2013	2011-2012
<u>Food & Beverage</u>		
Opening Stock	20.24	19.76
Add: Purchases	617.59	510.71
	637.83	530.47
Less: Closing Stock	28.25	20.24
	609.58	510.23

22 Employee Benefits Expense

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Salaries, Bonus and Allowances	415.08	337.05
Contribution to Provident and Other Funds	29.14	22.27
Staff Welfare Expenses	68.62	63.81
	512.84	423.13

Note: Employee Benefits

a. Defined Contribution plan:

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Company's Contribution to Provident and other funds	29.14	22.27

b. Defined Benefit Plans:

Rs. In Millions		
Particulars	Gratuity	
	2012-2013	2011-2012
a) Liability recognised in the balance sheet		
Present value of obligation		
As at the beginning of the period	24.00	21.92
Service Cost	5.90	5.96
Interest Cost	2.45	2.15
Actuarial loss / (Gain) on obligation	2.88	(4.78)
Benefits paid	(1.57)	(1.25)
As at the end of the period	33.66	24.00
Less: Fair Value of Plan Assets		
Opening Fair value of Plan Assets	12.52	8.70
Expected Return on Plan Assets	1.46	0.87
Actuarial Gain	0.32	0.16
Contribution by Employer	11.48	4.04
Benefits Paid	(1.57)	(1.25)
Closing Fair value of Plan Assets	24.21	12.52
Net Liability	9.45	11.48
b) Expense during the year (included under Salaries, Bonus and Allowances)		
Service Cost	5.90	5.96
Interest Cost	2.45	2.15
Expected return on Plan Assets	(1.46)	(0.87)
Actuarial (Gain) / Loss	2.56	(4.94)
Total	9.45	2.30
c) Breakup of Plan Assets as a percentage of total Plan Assets		
Insurer Managed Funds	100%	100%
d) Expected rate of return on Plan Assets		
Insurer Managed Funds	9.15%	9.15%
e) Principal Assumptions		
Discount rate	7.95%	8.60%
Salary escalation	6%	6%
<u>Attrition rate</u>		
From Age bracket 21 to 57 years	1% - 15%	1% - 15%

The company expects to contribute Rs 9.45 Million (Previous Year Rs. 9.68 Million) to its Gratuity plan for the next year. In assessing the Company's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables, the base being the LIC 1994-96 ultimate tables.

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

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

Other Disclosures:

Rs. In Millions						
Particulars	As at	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09
Defined Benefit Obligation		33.66	24.00	21.92	17.33	14.75
Plan Assets		24.21	12.52	8.70	6.16	4.50
Surplus/(Deficit)		(9.45)	(11.48)	(13.22)	(11.16)	(10.25)
Experience Adjustments on Plan Liabilities		0.99	(3.54)	(0.29)	(0.84)	(0.54)
Experience Adjustments on Plan Assets		0.32	0.15	0.02	(0.02)	(0.03)

23 Finance Costs

Rs. In Millions		
Particulars	2012-2013	2011-2012
Interest on borrowings	4.97	26.64
	4.97	26.64

24 Other Expenses

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Rent	336.58	291.35
Power & Fuel	111.08	80.62
Rates, Taxes & Licence Fee	34.83	29.03
Operating Supplies	55.96	58.83
Insurance	1.69	3.57
Advertisement and Marketing expenses (net of recoveries)	25.69	28.69
Repairs and Maintenance - Machinery	16.81	17.32
Repairs and Maintenance - Others	65.56	54.49
Miscellaneous Expenses	131.14	90.06
	779.34	653.96
Note:		
<u>Payments to auditors comprises:</u>		
As auditors - statutory audit	2.70	1.20
- tax audit	0.40	0.40
- Initial Public Offer related reporting	-	4.70
	3.10	6.30

25 Contingent Liabilities and Commitments

Particulars	Rs. In Millions	
	2012-2013	2011-2012
<u>Contingent Liabilities in respect of:</u>		
a. Legal cases against the company	167.18	167.18
b. Sales Tax demands	17.44	17.44
c. Income Tax demands	21.37	2.87
	205.99	187.49
<u>Commitments</u>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	53.72	86.99
	53.72	86.99

26 Derivative Instruments

There are no outstanding forward contracts as at 31 March 2013 and 31 March 2012.

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

Particulars	2012-2013	2011-2012
Amounts receivable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Royalty and Management fees receivable	USD 180,194	USD 119,791
Initial Access Premium fee & Designing fee	USD 21,295	USD 19,384
Reimbursement of Expenses	USD 31,161	USD 30,877
	USD 232,650	USD 170,052
<u>Amount in INR (In Millions)</u>		
Royalty and Management fees receivable	9.80	6.13
Initial Access Premium fee & Designing fee	1.16	0.99
Reimbursement of Expenses	1.69	1.58
	12.65	8.70
Amounts payable in foreign currency on account of the following:		
<u>Amount In Foreign Currency</u>		
Trademark & registration fees	USD 8,524	-
	CND 482	-
	POUND 1,509	-
	YEN 263,140	-
<u>Amount in INR (In Millions)</u>		
Trademark & registration fees	0.74	-
	0.74	-

27 Disclosures in respect of Operating leases

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

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Payable not later than one year	100.27	67.32
Payable later than one year but not later than five years	146.81	109.17
Payable later than five years	-	-
	247.08	176.49

b) Lease payments recognized in the Statement of Profit and Loss for the year ended March 31, 2013 are as under:

Minimum lease payments – Rs. 280.83 Million (Previous Year Rs. 241.02 Million)

Contingent rents – Rs. 55.75 Million (Previous Year Rs. 50.33 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 10 years

d) Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement at the higher of:

i) Fixed minimum guarantee amount and;

ii) Revenue share percentage

28 Disclosures in respect of Finance Leases

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

Particulars	Rs. In Millions	
	2012-2013	2011-2012
<u>Due not later than one year</u>		
Total future minimum lease payments	1.38	1.91
Less: Finance charge on future lease payments	0.18	0.34
Present value of lease payments	1.20	1.57
<u>Due later than one year but not later than five years</u>		
Total minimum future lease payments	1.06	2.50
Less: Finance charge on future lease payments	0.05	0.23
Present value of lease payments	1.01	2.27

b) Vehicles are taken on lease for periods ranging from 3 to 4 years.

29 Taxation

a. Current Tax comprises of:

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Income Tax of Current year	90.53	94.45
Tax adjustments of earlier years	-	(0.89)
	90.53	93.56

b. Components of Deferred Tax Asset (Net)

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Deferred Tax Liability		
Allowable on payment basis	-	4.40
	-	4.40
Deferred Tax Asset		
Depreciation	50.68	39.55
Allowable on payment basis	5.25	7.70
Others	7.13	0.36
	63.06	47.61
Net deferred Tax asset	63.06	43.21

30 Related Party Disclosures:

List of Related parties and their relationships

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

I Details of related parties transactions during the year ended 31 March 2013

Rs. In Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management personnel	Total
Transactions during the Period ended 31/ 03/ 2013				
Interest Income				
Prosperous Promoters Private Limited	-	2.61	-	2.61
	-	(2.74)	-	(2.74)
Total	-	2.61	-	2.61
	-	(2.74)	-	(2.74)
Remuneration				
Mr. Anjan Chatterjee	3.35	-	-	3.35
	(2.40)	-	-	(2.40)
Mrs. Suchhanda Chatterjee	1.88	-	-	1.88
	(1.20)	-	-	(1.20)
Mr. Indranil Chatterjee	1.73	-	-	1.73
	(0.60)	-	-	(0.60)
Total	6.96	-	-	6.96
	(4.20)	-	-	(4.20)
Rent and other expenses paid				
Situations Advertising & Marketing Services Private Limited	-	101.48	-	101.48
	-	(60.29)	-	(60.29)
Others	3.18	14.65	-	17.83
	(3.41)	(15.67)	-	(19.08)
Total	3.18	116.13	-	119.31
	(3.41)	(75.96)	-	(79.37)

Other transactions				
Advances given including interest				
Properous Promotors Private Limited	-	2.35	-	2.35
	-	(2.47)	-	(2.47)
Total	-	2.35	-	2.35
	-	(2.47)	-	(2.47)
Advances repaid including adjustments against dues				
Properous Promotors Private Limited	-	2.27	-	2.27
	-	(5.10)	-	(5.10)
Total	-	2.27	-	2.27
	-	(5.10)	-	(5.10)
Security Deposit given				
Situations Advertising & Marketing Services Private Limited	-	1.80	-	1.80
	-	(32.20)	-	(32.20)
Prosperous Promotors Private Limited	-	23.11	-	23.11
	-	-	-	-
Havik Export (P) Limited	-	-	-	-
	-	(1.50)	-	(1.50)
Total	-	24.91	-	24.91
	-	(33.70)	-	(33.70)
Unsecured loan repaid				
Anjan Chatterjee	21.55	-	-	21.55
	-	-	-	-
Suchhanda Chatterjee	22.97	-	-	22.97
	-	-	-	-
Indroneil Chatterjee - HUF	-	-	-	-
	-	(2.85)	-	(2.85)
Others	-	2.06	9.24	11.30
	-	-	-	-
Total	44.52	2.06	9.24	55.82
	-	(2.85)	-	(2.85)
II Balances as at 31/ 03/ 2013				
Loans				
Prosperous Promotors Private Limited	-	-	-	-
	-	(23.03)	-	(23.03)
Others	-	-	-	-
	-	(0.05)	-	(0.05)
Total	-	-	-	-
	-	(23.08)	-	(23.08)
Security deposits				
Situations Advertising & Marketing Services Private Limited	-	50.00	-	50.00
	-	(48.20)	-	(48.20)
Prosperous Promotors Private Limited	-	28.11	-	28.11
	-	(5.00)	-	(5.00)
Others	3.00	9.10	-	12.10
	(3.00)	(9.10)	-	(12.10)
Total	3.00	87.21	-	90.21
	(3.00)	(62.30)	-	(65.30)

Other payables				
Situations Advertising & Marketing Services Private Limited	-	9.68	-	9.68
	-	(6.39)	-	(6.39)
Shruthi Hotels Enterprises Private Limited	-	3.74	-	3.74
	-	(1.39)	-	(1.39)
Others	1.48	3.07	-	3.00
	(1.48)	(3.07)	-	(3.00)
Total	1.48	16.49	-	16.42
	(1.48)	(10.85)	-	(10.78)
Unsecured Loans				
Anjan Chatterjee	-	-	-	-
	(21.55)	-	-	(21.55)
Suchhanda Chatterjee	-	-	-	-
	(22.97)	-	-	(22.97)
Others	-	-	-	-
	-	(2.06)	(9.24)	(11.30)
Total	-	-	-	-
	(44.52)	(2.06)	(9.24)	(55.82)

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 2012 in relation to the Balance Sheet

31 Earnings per Share

Rs. In Millions (except as stated otherwise)

Particulars	2012-2013	2011-2012
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	234.14	172.43
Weighted Average Number of Equity Shares for Basic Earnings per share (See Note (ii) below)	45.25	30.94
Basic Earnings Per Share (in Rs.)	5.17	5.57
Diluted Earnings Per Share (in Rs.)	See Note (i) below	See Note (i) below
Nominal value per share (in Rs.)	10	10

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

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

In Millions

	2012-2013	2011-2012
Number of shares outstanding at the beginning of the year	35.22	28.53
Weighted Average number of equity shares on conversion of Compulsorily Convertible Preference Shares	-	2.41
Weighted Average number of equity shares consequent to issue of equity shares through the Initial Public Offering	10.03	-
Weighted Average number of shares outstanding at the end of the year	45.25	30.94

32 Earnings in Foreign Currency

Rs. In Millions

	2012-2013	2011-2012
Royalty and Management Fees	3.28	3.27
Total	3.28	3.27

33 Expenditure in Foreign Currency

Rs. In Millions

	2012-2013	2011-2012
Legal and Professional Fees	7.85	2.50
Travelling and Conveyance	0.35	-
Total	8.20	2.50

34 Value of Import calculated on CIF basis

Particulars	Rs. In Millions	
	2012-2013	2011-2012
Capital Goods	0.72	2.24

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 2013, Fixed Assets (Capital Work In Progress) include Rs 89.93 Million (segment assets), (As at 31 March 2012, Rs. 78.95 Million) related to non-reportable segments.

36 Utilisation of IPO Proceeds as on 31 March 2013

The Company had issued equity shares amounting to Rs. 1,760.91 million for purposes of development of new restaurants and food plaza, repayment of term loans and general corporate purposes. As at 31 March, 2013, an amount of Rs. 1,237.80 million is pending utilisation in future periods. Accordingly, the unutilised amount has been invested in mutual funds and term deposits with banks.

36 Comparatives

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

For and on behalf of the Board of Directors

Susim Mukul Dutta
Chairman

Anjan Chatterjee
Managing Director

T. S. Bhattacharya
Director

V. S. Satyamoorthy
Company Secretary

Place: Mumbai
Date : 29 May 2013

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SPECIALITY RESTAURANTS LIMITED

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

14th Annual General Meeting- 13th August, 2013 at 3.00 p.m.

ATTENDANCE SLIP

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company held at Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017 on Tuesday, 13th August, 2013 at 3.00 p.m.

Member's/ Proxy's Signature
(To be signed at the time of handing over this slip)

*Applicable for investors holding shares in dematerialised form.

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

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SPECIALITY RESTAURANTS LIMITED

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

14th Annual General Meeting- 13th August, 2013 at 3.00 p.m.

PROXY FORM

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

I / We _____ of

_____ being a Member/Members of above-named Company, hereby appoint

_____ or failing him

_____ of _____ as my /

our proxy to vote for me/us on my/our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 13th August, 2013 at 3.00 p.m and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature

Affix
Revenue
Stamp

*Applicable for investor holding shares in dematerialised form.

Note :

1. The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the Company.
3. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
4. Appointing a proxy does not prevent a member from attending in person, if he/she so wishes.

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