



SPECIALITY
RESTAURANTS LTD.

Morya Land Mark – 1, 4th Floor, B-25, Veera Industrial Estate, Off New Link Road, Andheri (W), Mumbai - 53
Tel No. (022) 62686700 Website. www.speciality.co.in

September 5, 2018

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

Scrip Code: SPECIALITY

Dear Sir/ Madam,

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

Sub: Submission of the Annual Report for the financial year ended March 31, 2018.

This is further to our letter dated August 4, 2018 wherein we had submitted copy of Notice of 19th Annual General Meeting to be held on August 27, 2018 and our letter dated August 8, 2018 wherein we had submitted soft copy of Annual Report, 2018.

This is to inform you that 19th Annual General Meeting (the "**19th AGM**") of the Members of the Speciality Restaurants Limited (the "**Company**") was held on Monday, August 27, 2018 at Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700017.

In accordance with the Regulation 34 of Listing Regulations, we are re-submitting herewith soft copy of Annual Report for the financial year ended March 31, 2018, which was approved and adopted in the 19th AGM as per the provisions of the Companies Act, 2013.

You are requested to kindly take the same on record.

Kindly acknowledge the receipt.

Thanking you,

Yours sincerely,
For **Speciality Restaurants Limited**


Authorized Signatory

Name: **Avinash Kinshikar**
Designation: **Company Secretary & Legal Head**



Encl: As above. Registered Office : 'Uniworth House' 3A Gurusaday Road, Kolkata - 700019.

CIN: L55101WB1999PLC090672. Tel. No. (91 33) 2283 7964/65/66. Fax No. (91 33) 2280 9282.

Email: corporate@speciality.co.in.



— — — — —
25 YEARS
OF MAKING YOU FEEL SPECIAL
— — — — —

Annual Report 2018



SPECIALITY RESTAURANTS

A JOURNEY OF PASSION



**25 YEARS
OF
WINNING HEARTS**



**25 YEARS
OF
SERVING YOU**



**25 YEARS
OF MAKING
YOU
FEEL SPECIAL**



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Curtain raiser

25 years of winning hearts.

25 years of serving joy.

25 years of making you feel special.

25 years is a milestone in any space. It has been Speciality Restaurant group's mission to share with diners authentic and unique cuisines from the world over. To give them a never-before experience and make them 'feel special'. It's a philosophy driven relentlessly with passion, hard work and discipline that has helped us to reach this milestone and it's just the beginning.

From the opening of its first outlet in 1992 in Mumbai (India), Speciality group of restaurants began its journey of serving authentic world cuisines under their flagship brand, Mainland China and 300 year-old delectable Indian cuisines under Oh! Calcutta which is a core brand of the group. Within a short span of over a decade it created history in terms of standardizing recipes and creating a chain of fine dining restaurants all over the country crossing the magical figure of 100 restaurants and confectioneries (currently 128) in over 25 cities in India, Dubai, Colombo (Sri Lanka), Dar es Salaam (Tanzania) and Dhaka (Bangladesh) with ongoing expansion plans to open soon in the Canada, UK and UAE (other Gulf countries). Other Power brands being Sigree Global Grill (bringing convergence of different grill styles in a live cooking format), Asia Kitchen (semi-casual format of Asian dining format in a refreshed new version of Mainland China and the future to be a flagship brand), Café Mezzuna (all-day modern European casual dining), Hoppipola (all-day bar and kitchen with games), Sweet Bengal (a confectionary chain of authentic Bengali sweets) and Dariole (a confectionary and Café). New age offering, vibrant

service and global flavours by our brands have created a new paradigm in the hospitality sphere.

Other brands of Speciality Restaurants include Haka, Flame & Grill, Machaan, Kix, Zoodles and our latest addition being Gong and Progressive Oriental House (POH).

The group has always striven to go to great lengths to pamper and surprise patrons and ensure that every dining experience they have, is something they'd remember. From sourcing ingredients from far-off lands to attentive service, it's all done with one objective – to give diners an experience they will cherish forever. Three thousand and two hundred employees of Speciality Restaurants work everyday with this very belief and conviction.

Success was born out of a vision. One that is shared by the entire senior management. Their vast experience in the country's leading high-end and 5-star hotels helps them maintain an extraordinarily high degree of professionalism. From monitoring quality, hygiene and safety standards, the effort has always been to create a special experience for every diner, every time.

What really drives everyone for ensuring this success continuously, is rather simple.

The love and passion to serve good food and count blessings.



Our Mission

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

To create a dining experience whose uniqueness lies in elegance and refinement, brought alive by care and personalized service in a warm, vibrant environment, that makes everybody feel special.



Chairman & Managing Director's Perspective

Dear Shareholders,

This is a very special moment for me and for all of us at Speciality Restaurants as we celebrate 25 years of our journey having served around 50 million meals till date. It goes without saying, but I would like to emphasize it — this could simply not have happened without the support and faith of all our stakeholders – starting with our large base of loyal guests; you, our shareholders; our professional partners; and, of course, the expert and dedicated team at Speciality Restaurants.

This moment is also special because this is the first time I am addressing all of you as chairman. And at the very outset I would like to acknowledge the immense contribution of Mr. Susim Mukul Datta, who has been our Chairman for seven years – but has moved on for personal reasons. His leadership, direction and guidance have been invaluable in helping us to get where we are. We wish him all the very best in all that he does.



**Chairman & Managing Director,
Anjan Chatterjee**



I also want to take this opportunity to reiterate that your company is in excellent hands under the able leadership of your directors. Mr. Dushyant Mehta is a leading figure in marketing and advertising. Mr. U.R. Bhat's financial expertise stands us in very good stead. Mr. Rakesh Pandey, our newest board member brings with him years of vast experience in the service industry; and of course, our full-time directors Mr. Indroneil Chatterjee and Mrs. Suchchanda Chatterjee.

Our journey began in Mumbai two and a half decades ago in 1992 with our first brand, Only Fish, followed soon by the first Mainland China in 1994. That remarkable beginning gave us a springboard to grow and we now have 42 Mainland China and 7 Asia Kitchen restaurants across India and overseas in Bangladesh, Tanzania and more recently in Srilanka and Dubai. Such growth is particularly significant in the particularly challenging environment the hospitality industry has been subject to in the last few years.

The Hospitality industry – opportunities and challenges

More generally, the last three years have been specially daunting for the restaurant industry even though India has been one of the fastest growing large economies in the world. The year under review

has been far from normal. Structural transformations like demonetisation, the reverberations of which are still being felt, and the introduction of the Goods and Services Tax (GST) have hit us hard. The subsequent changes in GST which led to the withdrawal of the Input Tax Credit specifically and only for the restaurant industry, have had a major impact on the business, including your Company. SRL's operating environment during the year has been nothing short of challenging in the extreme.

However, we have sought to counter these challenges with measures such as menu re-structuring and re-pricing, and cost control initiatives including re-negotiations with partners to reduce purchase costs at an operational level. This has been coupled with a representation and plea to the government for the re-introduction of Input Tax Credit as well as a reduction in the number of licences required to operate a restaurant.

A strategic roadmap

Our sensitivity and alertness to changing customer needs and environmental conditions have helped us respond with agility and innovation: new formats have





been developed and new brands to adapt to the new preferences of customers. We see many opportunities in the F&B industries, and are in a position of strength to capitalize on them, thanks to our diversified brand portfolio, strong senior leadership and a talented and committed team.

Responding to the changing palate of young consumers, Mainland China was re-incarnated in an enormously successful new avatar as Asia Kitchen by Mainland China. This seems to be the strategy going forward in refreshing of our flagship brand Mainland China. Our other restaurant brands like Oh! Calcutta, Sigree Global Grill, Café Mezzuna, Gong, Flame & Grill, Hoppipola, POH as well as confectionery brands Sweet Bengal and Dariole have continued to attract a loyal customer base. In the coming years, we plan to introduce exciting new formats and brands and convert more Mainland China outlets to Asia Kitchen.

Several tactical initiatives have also helped the brands gain greater traction. Small plates with smaller portions, greater value for money, wider variety, comfortable pricing and a semi-casual fun

dining format, are some initiatives that we expect will continue to show benefit. Our successful international expansion with Mainland China in Colombo, and Asia Kitchen by Mainland China in Dubai, have both received a good response which in turn has generated franchise enquiries from UAE and other Gulf countries, as well as also Canada, the UK and other European countries. The next few years will see our brands making forays into more international destinations.

We continue to pursue your Company's mission to provide world-class cuisine within an affordable price tag and to create a unique dining experience suffused with warmth and elegance, and brought alive by personalized service.

Let me once again thank all those who have placed their faith in us – our shareholders for their continued support; our guests for their loyalty; and our tireless team for their unstinting efforts.

Let us look forward together to a very special future.

Anjan Chatterjee
(Chairman and Managing Director)





Our foundation, built on brands

Every brand of ours has created its own niche. They operate and constitute an important aspect of our strategic roadmap over the next several years. Our pre-defined rules and standards have allowed a smooth run for all the franchise and continuing this trend will inch us closer to near and long-term goals and success.



Flagship Brand

**MAINLAND
CHINA**



Mainland China

This is the kingdom of Mainland China, beyond the Great Wall. A place where all dreams come true.

Today, this flagship brand of Speciality Restaurants has a countrywide presence in the form of 42 outlets across 21 cities in India serving customers with authentic Chinese cuisine. To its credit it has remained one of the most favoured and popular Chinese fine dining restaurant chain catering to the Indian taste buds in its journey of 25 years. The overwhelming popularity has taken the brand to international destinations viz. Tanzania, Bangladesh and very recently launched in Colombo (Sri Lanka) thereby earning a reputation of serving the finest Chinese cuisine suited for the Indian palette outside China, to discerning gourmets all over the world.

It enjoys top of the mind brand recall and sustained loyalty of its customers over the years.

ASIA KITCHEN
by MAINLAND CHINA



Asia Kitchen by Mainland China

Asia Kitchen by Mainland China is refreshed new semi-casual format of Mainland China in a relaxed ambience serving exciting pan-asian cuisine from selections of Thai, Japanese, Malaya, Myanmar, Singapore, Hong Kong and of course China.

After receiving tremendous response in Mumbai, Kolkata, Bangalore and Chennai, the first outlet internationally is now in operation at Burjuman Mall in Dubai, UAE. This exciting new format with live kitchen and innovative take on street food is creating ripples in the dining circles.

Asia Kitchen by Mainland China is a refreshed new format of Mainland China with exciting Pan-Asian flavours with open kitchen and semi-casual ambience.



Core Brand

Oh! Calcutta



Oh! Calcutta

Launched into 1992 as 'Only Fish', it was re-branded as 'Oh! Calcutta' and currently has nine operational outlets across the country.

With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengali's looking for their home flavours. It's a resurrection of 300 year old recipes well researched to give a contemporary expression in the form of grilled and steamed specialities, deftly balancing the traditional flavours with amalgamation of authentic ingredients and spices to appeal to a global audience. Keeping the elegance and creativity of the cuisine at heart, the brand is constantly pushing the envelope for the newer experiences of traditional flavours.



sigree

GLOBAL GRILL



Sigree Global Grill

Sigree Global Grill has emerged as a popular brand with the concept of live grills on each table, display kitchen, interactive cooking with skilful displays by master chefs inspired by changing taste-buds.

The menu features a melange of fresh, unlimited grilled flavours from all around the world like Mediterranean, Oriental, Spanish, Mexican and Indian Cuisine at all inclusive price points.





Power Brands



Hoppipola

Hoppipola offers ample contemporary flavours such as finger food and bar nibbles. Innovative mocktails also add to the funky menu. Hoppipola offers a fun filled experience to the young-at-heart who constitute the majority of a growing market of young and independent diners.

Literally meaning “jumping in puddles” in Icelandic, Hoppipola is an embodiment that you don’t need to be young to have fun.

Sweet Bengal



Sweet Bengal

It has proved to be the favourite Bengali sweet destination. The sole credit for this goes to the innovative and traditional spread of Bengali Sweets and snacks created with pure cow’s milk by ‘karigars’ from West Bengal who literally crafts each sweet and is the only place in Mumbai for authentic bengali sweets.

It has won the ‘Times Food Awards’ in the category of Best Mithai Shop.



Café Mezzuna

Café Mezzuna is an all-day semi casual dining restaurant. It serves modern european cuisine with selections from Italian , Mediterranean, Moroccan, Spanish, French flavours with a tastefully designed bar menu.

Its unanimous admiration made it to win ‘The Telegraph Food Guide Award’ in the category of Award for Excellence.



Other Brand

gong
modern asian



Gong

GONG transports diners to a new level of happiness with its high energy contemporary ambience with a take on traditional Japanese temple architecture and diverse Asian flavours that are prepared using western cooking techniques and presentations. It takes you on a journey through the mysterious culinary traditions of the Far-East.

Flame & grill

Best known for kebabs made with special spices, Flame & Grill offers grilled cuisine from all over the world.



HAKA



Haka

Positioned as an ideal place for the guest on the go or for a family outing combined with other leisurely activities such as shopping or cinema. The Haka menu features modern Chinese cuisine in small plates including dim sums and quick meal at comfortable prices, typically found in modern Chinese casual dinners in Hong Kong and Shanghai city streets.

The contemporary ambience of each Haka restaurant is created by red walls and modern impressionist art work. The design and construction emphasizes efficiency and functionality in lay out.





sigree



Sigree

Sigree offers authentic Indian cuisine slow cooked over a charcoal flame with flavours from North Western India using fresh, pure flavours and ingredients. The ambience at 'Sigree' has a unique character with modern Indian décor in bronze and red colours.

zoodles
Asian Street Wok



Zoodles

The buzzing food streets of Kuala Lumpur, Shanghai, Bangkok and Singapore gave Speciality Restaurants the concept of Zoodles. Here Asia's exotic taste is served to its diners. Zoodles is your veritable destination for tossed, stirred, grilled and wok fried delicacies.

MACHAAN



Machaan

Serving popular Indian cuisine, 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.



DARIOLE



Dariole

The latest venture of the SRL group is Dariole, a cosy, affectionate neighbourhood confectionary and café, where the city's best croissants, buns, puffs, wraps, cakes, cookies, pastries and breads are born every day.

POH

PROGRESSIVE | ORIENTAL | HOUSE



POH

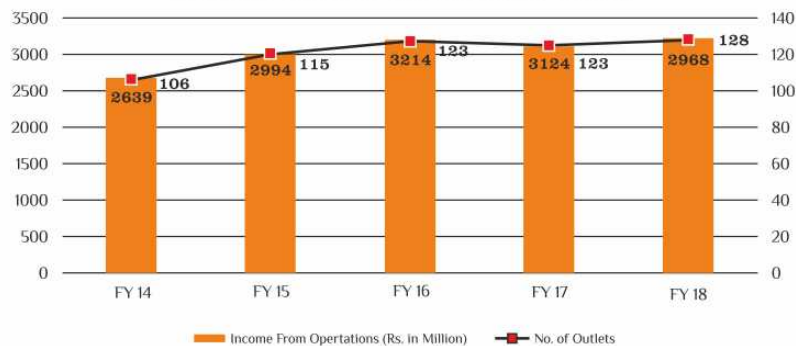
Progressive Oriental House (POH) is a boutique oriental restaurant targeted towards guests who are looking for newer flavours and experience in Chinese and Pan Asian cuisines.



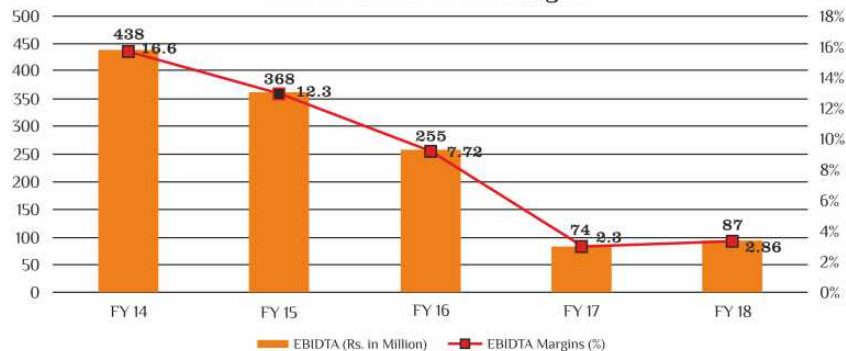


What the numbers say

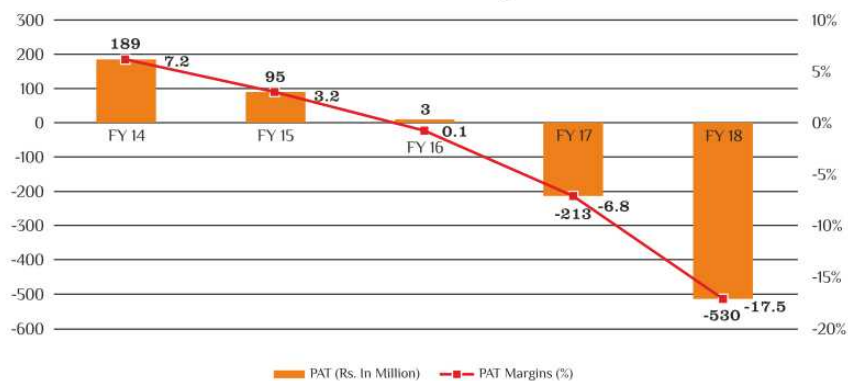
Total Income from Operation and Outlets



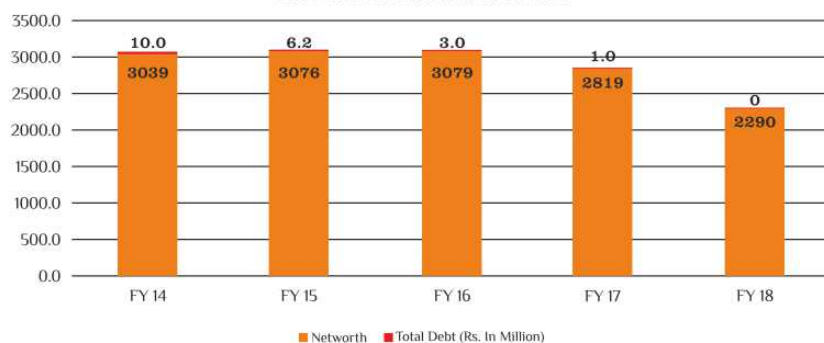
EBIDTA and EBIDTA Margins



PAT and PAT Margins



Net Worth and Total Debt





Board of Directors

Anjan Chatterjee

Chairman & Managing Director

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

He has topped it with a Diploma in Hotel Management, Catering Technology and Applied Nutrition and his experience spans over 30 years in the advertising and hospitality industry. With a hands-on management style, he is responsible for spearheading the company's expansion strategy.

Suchhanda Chatterjee

Whole-time Director

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

Indranil Ananda Chatterjee

Whole-time Director

Mr. Indranil Chatterjee holds a Bachelor's Degree in Commerce and a Post Graduate Diploma in business management with over 30 years of experience in finance and marketing. He brings to the table his well rounded management skills and strategic inputs for the Company's growth and expansion plans.



Dushyant Rajnikant Mehta

Independent Director

Dushyant Mehta has over 25 years of experience in marketing, advertising and sales with a focus on brand building, strategy and account planning. Having majored in marketing during his MBA, he has launched and built several FMCG and media brands at a national level. In his previous assignments, he headed Contract Advertising and Lintas in Mumbai; he also led the strategic and account planning team at Clarion Advertising. Later he turned entrepreneur, playing a key role in building Repro India, one of India's largest printing & publishing company and in taking it public. He has helped build the multi-million dollar brand Cello. He has also conceptualized and launched national programmes like the Bournvita Quiz Contest, Say Cello not Hello! amongst others.

As a long time member of the advertising fraternity, Mr. Mehta has served on the jury for the prestigious ABBY Awards and also taken sessions on Management at various institutions. He also founded and is the Chairman of Quadrum Solutions, a uniquely positioned content company with global clients.

Mr. Ullal Ravindra Bhat

Independent Director

Mr. Ullal Ravindra Bhat is one of India's well known investment managers having managed foreign institutional investments in Indian equities for more than two decades.

He is M. Sc. from Indian Institute of Technology, Kanpur and has attended advanced courses on Finance at the Harvard Business School, Boston and Indian Institute of Management, Ahmedabad. He is a Fellow of the Chartered Institute of Bankers, London. He is a respected commentator in the electronic and print media.

Rakesh Pandey

Independent Director

Mr. Rakesh Pandey holds a degree in B. Tech. (Hons.) Chemical Engg. from IIT BHU Varanasi and Global Program on Management Development from University of Michigan.

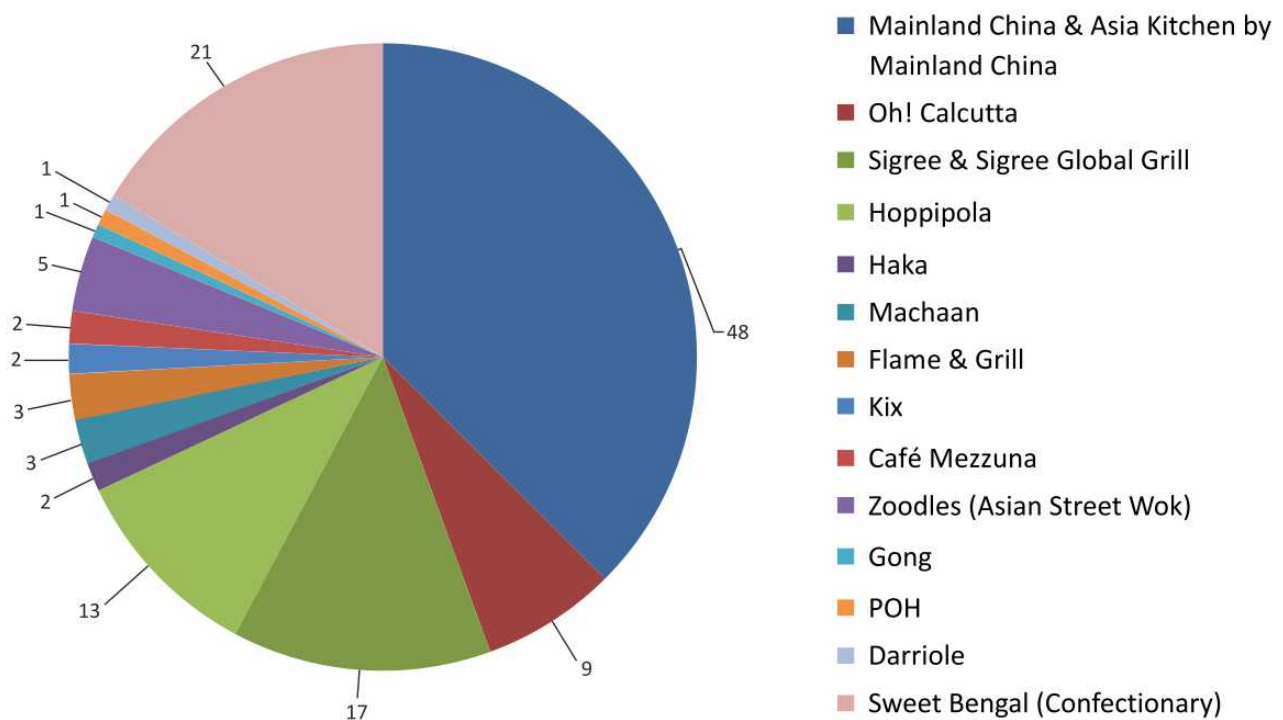
He is a well-rounded professional with multi-functional, multi domain experience, and an entrepreneurial and challenge oriented mindset. He has worked in the industries ranging from Chemicals, FMCG, Healthcare and Wellness, Retail, Start Up in the roles ranging from Manufacturing, Projects, Chief of HR and Quality, Business Head and CEO, President among others. He has strong belief in power of HR linked Business Strategy and Innovation led growth, A CXO Coach, certified from Neuro Leadership Institute USA, on Brain Based Results Coaching System. He is also actively engaged in mentoring start ups.





Brand presence

Brands & Number of Outlets as on March 31, 2018



Brands

Mainland China and Mainland China
Asia Kitchen

Oh! Calcutta

Sigree and Sigree Global Grill

Haka

Machaan

Flame & Grill

Café Mezzuna

Hoppipola

Kix

Zoodles (Asian Street Wok)

Gong-Modern Asian

POH

Dariole

Sweet Bengal (Confectionary)

Key Cities

21 cities in India and one each in Dhaka (Bangladesh),
Dar es Salaam (Tanzania) and Colombo (Sri Lanka)

Mumbai, Delhi, Kolkata, Bengaluru, Gurgaon and Hyderabad

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

Kolkata

Kolkata, Howrah and Ranchi

Kolkata and Hyderabad

Kolkata

Mumbai, Kolkata, Bengaluru, Chennai, Pune, Hyderabad and Ranchi

Kolkata

Mumbai

Pune

Mumbai

Kolkata

Mumbai





New Ventures



Asia Kitchen by Mainland China-Dubai



Mainland China-Colombo



COMPANY INFORMATION

Board of Directors

Anjan Chatterjee (Chairman w.e.f. September 11, 2017)	Chairman & Managing Director
Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)
Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)
Susim Mukul Datta (resigned w.e.f. August 31, 2017)	Independent Director
Dushyant Mehta	Independent Director
Ullal Ravindra Bhat	Independent Director
Rakesh Pandey (appointed w.e.f. November 29, 2017)	Independent Director

Board Committees

Audit Committee

Ullal Ravindra Bhat	(Chairman)
Anjan Chatterjee	
Dushyant Mehta	
Rakesh Pandey	

Stakeholders Relationship Committee

Dushyant Mehta	(Chairman)
Anjan Chatterjee	
Indranil Chatterjee	

Nomination and Remuneration Committee

Dushyant Mehta	(Chairman)
Ullal Ravindra Bhat	
Rakesh Pandey	

Corporate Social Responsibility Committee

Dushyant Mehta	(Chairman)
Suchhanda Chatterjee	
Ullal Ravindra Bhat	

Management Team

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

Company Secretary & Legal Head

Avinash Kinhikar

Auditors

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

Registrar & Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park,
L.B.S. Marg, Vikhroli West,
Mumbai - 400 083.
Tel. No. (91 22) 49186000, 49186270
Fax No. (91 22) 49186060
E-Mail: rnt.helpdesk@linkintime.co.in

Bankers

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

Registered Office

Uniworth House,
3A, Gurusaday Road,
Kolkata 700 019.
Tel: (91 33) 22837964/65/66
Fax No: (91 33) 22809282
E Mail: corporate@speciality.co.in
CIN: L55101WB1999PLC090672

Corporate Office

Morya Landmark I, 4th Floor,
B-25, Veera Industrial Estate,
Off. New Link Road,
Andheri (West),
Mumbai-400053.
Tel: (91 22) 6268 6700
Website: www.speciality.co.in

**19th Annual General Meeting at
Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017
on Monday, August 27, 2018 at 11.00 a.m**



NOTICE

Notice is hereby given that the 19th Annual General Meeting (the “AGM”) of the members of **SPECIALITY RESTAURANTS LIMITED** (the “Members” and such Company, the “Company”) will be held on Monday, August 27, 2018 at 11.00 a.m. at Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700017 (the “Notice”) to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Report of the Board of Directors of the Company (the “Board”) and the Auditor’s Report thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Auditor’s Report thereon.
3. To appoint a Director in place of Mr. Anjan Chatterjee (DIN: 00200443), who retires by rotation and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mrs. Suchhanda Chatterjee (DIN: 00226893) as a Whole-time Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), (the “Companies Act”) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and the Articles of Association of the Company, the Company hereby approves the re-appointment of Mrs. Suchhanda Chatterjee (DIN : 00226893) as the Whole-time Director of the Company (designated as Director - Interior and Design), liable to retire by rotation, for a period of three years, with effect from July 1, 2018 up to June 30, 2021 on the following remuneration, perquisites and benefits, as approved by the Nomination and Remuneration Committee (the “NRC”) and the Board of Directors (the “Board”) at each of their meetings held on May 26, 2018, respectively and on such other terms and conditions as set out in the explanatory statement:

Remuneration:

1. Basic Salary:

In the range of ₹ 50,000/- to ₹ 3,00,000/- per month. For the period starting from July 1, 2018 the basic salary shall be ₹ 87,500/- per month. Thereafter, the Board shall fix annual increments every year within the above specified limit in compliance with Schedule V of the Companies Act. First increment shall be due from July 1, 2019.

2. Allowances:

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

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

3. Perquisites:

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

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

4. Commission:

Over and above the remuneration aforesaid, she shall be eligible for commission on the Net Profits as the Board of Directors may fix every year. Provided that the total remuneration including perquisites and commission shall be within the overall limits laid down under Section 198 read with Schedule V of the Companies Act.

5. Sitting Fees:

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

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

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

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



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

RESOLVED FURTHER THAT Mr. Anjan Chatterjee, Chairman and Managing Director, Mr. Indranil Chatterjee, Director - Commercial Operations and Mr. Avinash Kinikar, Company Secretary and Legal Head be and are hereby severally authorised to do all such acts, deeds and actions, as may be necessary to give effect to the above resolution, including filing 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."

5. Re-appointment of Mr. Indranil Chatterjee (DIN: 00200577) as a Whole-time Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), (the **"Companies Act"**) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and the Articles of Association of the Company, the Company hereby approves the re-appointment of Mr. Indranil Chatterjee (DIN : 00200577) as the Whole-time Director of the Company (designated as Director - Commercial Operations), liable to retire by rotation, for a period of three years with effect from July 1, 2018 up to June 30, 2021 on the following remuneration, perquisites and benefits, as approved by the Nomination and Remuneration Committee (the **"NRC"**) and the Board of Directors (the **"Board"**) at each of their meetings held on May 26, 2018, respectively and on such other terms and conditions as set out in the explanatory statement:

Remuneration:

1. Basic Salary:

In the range of ₹ 50,000/- to ₹ 3,00,000/- per month. For the period starting from July 1, 2018 the basic salary shall be ₹ 87,500/- per month. Thereafter, the Board shall fix annual increments every year within the above specified limit in compliance with Schedule V of the Companies Act. First increment shall be due from July 1, 2019.

2. Allowances:

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

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

3. Perquisites:

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

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

4. Commission:

Over and above the remuneration aforesaid, he shall be eligible for commission on the Net Profits as the Board of Directors may fix every year. Provided that the total remuneration including perquisites and commission shall be within the overall limits laid down under Section 198 read with Schedule V of the Companies Act.

5. Sitting Fees:

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

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

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

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

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

RESOLVED FURTHER THAT Mr. Anjan Chatterjee, Chairman and Managing Director, Mrs. Suchhanda Chatterjee, Director-Interior and Design and Mr. Avinash Kinhikar, Company Secretary and Legal Head be and are hereby severally authorised to do all such acts, deeds and actions, as may be necessary to give effect to the above resolution, including filing the various forms required to be filed under the Companies Act electronically from time to time with the Registrar of Companies, West Bengal or such other concerned authorities.”

By Order of the Board
For Speciality Restaurants Limited

Avinash Kinhikar
Company Secretary and Legal Head

Place: Mumbai.
Date: May 26, 2018

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

Notes:

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (the “**Companies Act**”) and the rules made thereunder setting out the material facts in respect of the business under item nos. 3, 4 and 5 to be transacted at the 19th annual general meeting (“**AGM**”), as set out in the notice to the AGM (the “**Notice**”) (the “**Explanatory Statement**”) is annexed hereto and forms part of the Notice.
2. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall not act as a proxy for another person or shareholder. If a proxy is appointed for more than fifty members, he shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.
3. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED WITH THE COMPANY EITHER IN PERSON OR THROUGH POST NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING IN RELATION TO WHICH THEY ARE DEPOSITED. A PROXY FORM, FOR THE AGM IS ENCLOSED.
4. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member entitled to vote on any Resolution would be entitled to inspect the proxies lodged between 9.00 a.m and 6.00 p.m. during such period, provided that notice in writing of the intention to inspect the proxies lodged is given to the Company at least three days before the commencement of the Meeting.
6. Members/proxies should bring the duly filled Attendance Slip enclosed along with the Annual Report to attend the meeting.
7. Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Members at the registered office of the Company (the “**Registered Office**”) on all working days, except Saturdays, during business hours, up to the date of the meeting. Copies of the relevant documents referred to above are also open for inspection in physical or electronic form by the Members at the Corporate Office of the Company at Morya Landmark I, 4th Floor, B/25, Veera Industrial Estate, Off New Link Road, Andheri West, Mumbai - 400053 on all working days, except Saturdays, during business hours, up to the date of the meeting.
8. The Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, August 21, 2018 to Monday, August 27, 2018 (both days inclusive).
9. Members are requested to address all correspondence including dividend matters, to the Company’s Registrar and Share Transfer Agent, Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083 (the “**Registrar**” or “**Transfer Agent**”).
10. Members holding shares in dematerialized form are requested to intimate immediately any change in their address or bank mandate to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar.
11. Unclaimed dividend for the financial years from 2012-13 to 2014-15 are held in separate bank accounts and members who have not received the dividend/encashed the warrants are advised to claim such amount from the Company or Registrar and transfer agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account and the shares on which such dividend remained unclaimed/unpaid will be transferred to Investor Education and Protection Fund established by the Central Government as per Section 124 of the Companies Act.

12. Copies of the Annual Report for the financial year 2017-18 are being sent by electronic mode to all the members whose e-mail addresses are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report for the financial year 2017-18 are being sent by the permitted modes of service of documents.
13. The Notice, *inter-alia* indicating the process and manner of remote e-voting, along with the Attendance Slip and Proxy Form, will be sent by electronic mode to all members whose e-mail addresses are registered with the Company/Depository Participants, unless a member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted modes of service of documents.
14. Members may also note that the Notice and the Annual Report for the financial year 2017-18 will also be available on the Company's website www.speciality.co.in. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection on all working days except Saturdays, during business hours. Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investor@speciality.co.in.
15. **Voting through electronic means:**
 - (a) In compliance with Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM) through e-voting services provided by National Securities Depositories Limited (NSDL) on all resolutions specified in this Notice.
 - (b) The facility for voting, through electronic voting system or poll papers shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 - (c) The Remote e-voting commences on Friday, August 24, 2018 (from 10:00 a.m. Indian Standard Time, "**IST**") and ends on Sunday, August 26, 2018 (at 5.00 p.m. IST). E-voting shall not be allowed after the aforesaid date and time. During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, being Monday, August 20, 2018 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL thereafter.
 - (d) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Detail of the process and manner of Remote e-voting along with the user ID and password is being sent to all the members along with the Notice.
 - (e) The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Monday, August 20, 2018.
 - (f) The Board has appointed M/s. T. Chatterjee & Associates, Practicing Company Secretaries firm (ICSI - Firm Unique Code No.: S2007WB097600) (the "**Scrutinizer**") as a scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - (g) The Scrutinizer shall from the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company, and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or in his absence to any other Director authorised by the Board.
 - (h) The Chairman or in his absence any other Director authorised by the Board shall forthwith on receipt of the Consolidated Scrutinizer's Report, declare the results of the voting. The Result declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.speciality.co.in and on the website of NSDL immediately after their declaration, and communicated to the BSE Limited and the National Stock Exchange of India Limited.
 - (i) The results of voting will be declared and published, along with consolidated Scrutinizer's Report, on the website of the Company www.speciality.co.in and on NSDL website www.evoting.nsdl.com and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

The instructions for shareholders voting electronically are as under:

- The remote e-voting period commences on Friday, August 24, 2018 at 10:00 a.m. (IST) and ends on Sunday, August 26, 2018, at 5:00 p.m. (IST). During this period, the members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date, being Monday, August 20, 2018, may cast their vote by electronic means in the manner and process set out herein. The remote e-voting module shall be disabled by NSDL thereafter.
- Shareholders who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, however, shall not be entitled to cast their vote again at the meeting.
- In case a person has become a member of the Company after the despatch of the Notice but on or before the cut-off date i.e. Monday, August 20, 2018, he/she may follow the same procedure as mentioned below.

A. In case of Members receiving e-mail:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
2. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
3. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Speciality Restaurants Limited.
4. Now you are ready for e-Voting as the Voting page opens.



5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tchatterjeeassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

B. In case of Members receiving the physical copy:

Please follow all steps specified above to cast vote.

16. Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India, the details of Director seeking appointment/re-appointment at the AGM have been annexed to this Notice.
17. In terms of the circular of the Securities and Exchange Board of India (the "SEBI"), every participant in the securities market is mandatorily required to submit their PAN details. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company/Registrar.
18. As per the provisions of Section 72 of the Companies Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form SH-14. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
19. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with Registrar/their Depository Participants, in respect of shares held in physical/electronic mode respectively.
20. A route map showing directions to reach the venue of the AGM is given at the end of this Notice as per the requirement of the Secretarial Standard (SS-2) on "General Meetings".

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

The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 3, 4 and 5 of the Notice dated May 26, 2018.

Item No. 3: To appoint a Director in place of Mr. Anjan Chatterjee (DIN: 00200443), who retires by rotation and being eligible, has offered himself for re-appointment:

1. This Explanatory Statement is provided as an additional information to the Members though not statutorily required as per Section 102 of the Companies Act.
2. Mr. Anjan Chatterjee, was re-appointed as Managing Director of the Company at the 18th annual general meeting of the Company held on August 21, 2017 for the period of three years with effect from December 27, 2017 up to December 26, 2020.
3. Mr. Anjan Chatterjee was appointed as Chairman of the Board with effect from September 11, 2017 by the Board of Directors (the "Board") of the Company duly approved by their Resolution at their Meeting held on September 11, 2017.
4. The Resolution for Re-appointment of Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee for the further period of three years has been included in the notice for the AGM. Therefore their names cannot be considered for director liable for retirement by rotation.
5. In terms of Section 149(13) of the Companies Act, 2013, the provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation is not applicable to appointment of independent directors.
6. In order to comply with the requirements of the Companies Act and Article 106 of Articles of Association of the Company, Mr. Anjan Chatterjee, Managing Director of the Company, retires by rotation and has offered himself for re-appointment.

7. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee (who is spouse of Mr. Anjan Chatterjee) for the remuneration paid to him, to the extent of shares held and the related party transactions entered into with the Company in which he is interested are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 3 of the Notice.
8. The Board recommends the resolution as set out under Item No. 3 of the accompanying Notice for approval of the Members to be passed as an Ordinary Resolution.

Item No. 4: Re-appointment of Mrs. Suchhanda Chatterjee (DIN: 00226893) as a Whole-time Director of the Company:

9. Mrs. Suchhanda Chatterjee was re-appointed as a Whole-time Director of the Company at the meeting of the Board held on May 27, 2015 for a period of three years with effect from July 1, 2015 to June 30, 2018.
10. At the annual general meeting held on August 26, 2015, the Members had approved the re-appointment and terms of remuneration of Mrs. Suchhanda Chatterjee. The term of office of Mrs. Suchhanda Chatterjee as a Whole-time Director is upto June 30, 2018.
11. Based on the recommendation of Nomination and Remuneration Committee and considering her qualification, experience, increased responsibilities on account of new projects proposed to be implemented and the significant contribution made by her to the Company, the Board at their meeting held on May 26, 2018 has, subject to the approval of the Members of the Company, approved the re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company, designated as Director-Interior and Design, liable to retire by rotation, for a further period of three years with effect from July 1, 2018. The Board has also approved the terms of remuneration payable to her during her tenure as Whole-time Director. The appointment of Mrs. Suchhanda Chatterjee as Whole-time Director and payment of remuneration is subject to the approval of the Members of the Company and subject to further approvals of any statutory or regulatory authorities wherever applicable.
12. Pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, read with Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the re-appointment of Mrs. Suchhanda Chatterjee as the Whole-time Director is subject to approval of the Members of the Company in the AGM.
13. Pursuant to the Companies Act, during the period of appointment if the Company has no profits or if its profits are inadequate in any financial year, the whole-time director shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule V of the Companies Act.
14. Mrs. Suchhanda Chatterjee has also been holding a managerial position in Situations Advertising and Marketing Services Private Limited and has drawn a remuneration for the financial year 2017-18. Since, Mrs. Suchhanda Chatterjee is drawing remuneration in more than one company, in terms of Section II of Part II of Schedule V of the Companies Act, the total remuneration drawn by her from both the companies did not exceed the higher of the maximum limit admissible from any one of the companies in which she is a managerial person.

Background of Mrs. Suchhanda Chatterjee and the remuneration payable are set out below:-

15. Mrs. Suchhanda Chatterjee holds a Bachelor's degree in Arts and has been the Whole-time Director of the Company since July, 2010. She has over 20 years of experience in the Hospitality Industry.
16. A draft of the letter of appointment proposed to be issued by the Company to Mrs. Suchhanda Chatterjee in connection with her re-appointment as the Whole-time Director of the Company and setting out the terms and conditions of her re-appointment, including the remuneration, is available for inspection by the members at the Registered Office on all working days, except Saturdays, during business hours, upto the date of the meeting.
17. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee (who is the spouse of Mr. Anjan Chatterjee) are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 5 of the Notice.
18. The Board recommends the resolution as set out under Item No. 4 of the accompanying Notice for approval of the Members to be passed as an Ordinary Resolution.
19. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

I. General Information:

(i) Nature of Industry:

The Company is engaged in the business of restaurant industry.

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

Not applicable

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

Not applicable



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

₹ In Millions

Particulars	Financial Years	
	2017-18	2016-17
Paid-up Capital	469.58	469.58
Other Equity	1,821.06	2,349.88
Revenue from Operations & Other Income	3,046.94	3,211.53
Total Comprehensive Income for the year	(530.36)	(212.93)

(v) **Foreign investment or collaborations:**

The Company has a joint venture agreement with the Al Mohannadi Group and incorporated a joint venture company under the name Mainland China and Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) in Doha, Qatar (the "JV Company") for the purpose of operating restaurant under the brand "Mainland China".

II. Information about Mrs. Suchhanda Chatterjee:

(i) **Background details:**

Please refer to paragraphs 9 to 17 of Item No. 4 mentioned above.

(ii) **Past remuneration:**

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

- Financial year 2015-16: ₹ 2.10 million
- Financial year 2016-17: ₹ 2.10 million
- Financial year 2017-18: ₹ 2.10 million

(iii) **Recognition or Awards:**

The Company has won awards for various brands. The details of the awards are given on page no. 35 of the Annual Report.

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

Mrs. Suchhanda Chatterjee has over 20 years of experience in the field of Hospitality Industry. She has contributed significantly to the achievements of the Company and the Board is of the opinion that her continuing appointment would be beneficial to the Company.

(v) **Remuneration proposed:**

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

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

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

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

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

Except for the remuneration paid to her, to the extent of shares held and the related party transactions entered into with the Company by Mrs. Suchhanda Chatterjee and her relatives or the companies in which she is interested, which has been approved by Audit Committee, Mrs. Suchhanda Chatterjee has no other pecuniary relationship with the Company except Mr. Anjan Chatterjee (who is the spouse of Mrs. Suchhanda Chatterjee).

III. Other Information:

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

Reduction in discretionary spending power of consumers, the negative same store sales growth and lower footfalls during the weekdays has affected the profitability of the restaurant industry, in general, and thereby resulted in decline in the profitability level. The longer break-even in some of the restaurants, Impairment of Investment and receivables, reversal of Deferred Tax Asset, denial of Input Tax Credit under the Goods and Service Tax, Share of Loss in Joint Venture company resulted in loss during the financial year 2017-18.

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

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

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

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

IV. Disclosures:

The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 68 of the Annual Report.

Item No. 5: Re-appointment of Mr. Indranil Chatterjee (DIN: 00200577) as a Whole-time Director of the Company:

20. Mr. Indranil Chatterjee was re-appointed as a Whole-time Director of the Company at the meeting of the Board held on May 27, 2015 for a period of three years with effect from July 1, 2015 to June 30, 2018.
21. At the annual general meeting held on August 26, 2015, the Members had approved the re-appointment and terms of remuneration of Mr. Indranil Chatterjee. The term of office of Mr. Indranil Chatterjee as a Whole-time Director is upto June 30, 2018.
22. Based on the recommendation of Nomination and Remuneration Committee and considering his significant contributions made by him to the Company, the Board of the Company at their meeting held on May 26, 2018 has, subject to the approval of the Members of the Company, approved the re-appointment of Mr. Indranil Chatterjee as a Whole-time Director of the Company, designated as Director-Commercial Operations, liable to retire by rotation, for a further period of three years with effect from July 1, 2018. The Board has also approved the terms of remuneration payable to him during his tenure as Whole-time Director. The appointment of Mr. Indranil Chatterjee as Whole-time Director and payment of remuneration is subject to the approval of the Members of the Company and subject to further approvals of any statutory or regulatory authorities wherever applicable.
23. Pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, read with Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the re-appointment of Mr. Indranil Chatterjee as the Whole-time Director is subject to approval of the Members of the Company in the AGM.
24. Pursuant to the Companies Act, during the period of appointment if the Company has no profits or if its profits are inadequate in any financial year, the Managerial Personnel shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule V of the Companies Act.

Background of Mr. Indranil Chatterjee and the remuneration payable are set out below:-

25. Mr. Indranil Chatterjee holds a Bachelor's degree in Commerce and a post graduate Diploma in Business Management and has been the Whole-time Director of the Company since July, 2010. He has over 30 years of experience in the field of Finance and Marketing.
26. A draft of the letter of appointment proposed to be issued by the Company to Mr. Indranil Chatterjee in connection with his re-appointment as the Whole-time Director of the Company which sets out the terms and conditions of his re-appointment including the proposed remuneration is available for inspection by the members at the Registered Office on all working days, except Saturdays, during business hours, upto the date of the meeting.
27. None of the Directors of the Company or Key Managerial Personnel or their relatives except Mr. Indranil Chatterjee are in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 5 of the Notice.
28. The Board recommends the resolution as set out under Item No. 5 of the accompanying Notice for approval of the Members to be passed as an Ordinary Resolution.
29. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

I. General Information:

(i) Nature of Industry:

The Company is engaged in the business of restaurant industry.

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

Not applicable

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

Not applicable

(iv) Financial performance based on given indicators:

₹ In Millions

Particulars	Financial Years	
	2017-18	2016-17
Paid-up Capital	469.58	469.58
Other Equity	1,821.06	2,349.88
Revenue from Operations & Other Income	3,046.94	3,211.53
Total Comprehensive Income for the year	(530.36)	(212.93)

(v) Foreign investment or collaborations:

The Company has a joint venture agreement with the Al Mohammadi Group and incorporated a joint venture company under the name Mainland China and Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) in Doha, Qatar (the "JV Company") for the purpose of operating restaurant under the brand "Mainland China".

II. Information about Mr. Indranil Chatterjee:

(i) Background details:

Please refer to paragraphs 20 to 27 of Item No. 5 mentioned above.

(ii) Past remuneration:

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

- a) Financial year 2015-16: ₹ 2.10 million
- b) Financial year 2016-17: ₹ 2.10 million
- c) Financial year 2017-18: ₹ 2.10 million

(iii) Recognition or Awards:

The Company has won awards for various brands. The details of the awards are given on page no. 35 of the Annual Report.

(iv) Job profile and his suitability:

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

(v) Remuneration proposed:

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

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

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

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

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

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

III. Other Information:

(i) Reasons of loss or inadequate profits:

Reduction in discretionary spending power of consumers, the negative same store sales growth and lower footfalls during the weekdays has affected the profitability of the restaurant industry, in general, and thereby resulted in decline in the profitability level. The longer break-even in some of the restaurants, Impairment of Investment and receivables, reversal of Deferred Tax Asset, denial of Input Tax Credit under the Goods and Service Tax, Share of Loss in Joint Venture company resulted in loss during the financial year 2017-18.

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

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

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

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

IV. Disclosures:

The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 68 of the Annual Report.

By Order of the Board
For Speciality Restaurants Limited

Avinash Kinhikar
Company Secretary and Legal Head

Place: Mumbai.

Date: May 26, 2018

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

CIN: L55101WB1999PLC090672.

E-mail: corporate@speciality.co.in

Phone: 033-22837964/65/66.

Fax No: 033-22809282.

Website: www.speciality.co.in



Details of the Director seeking appointment / re-appointment at the 19th AGM

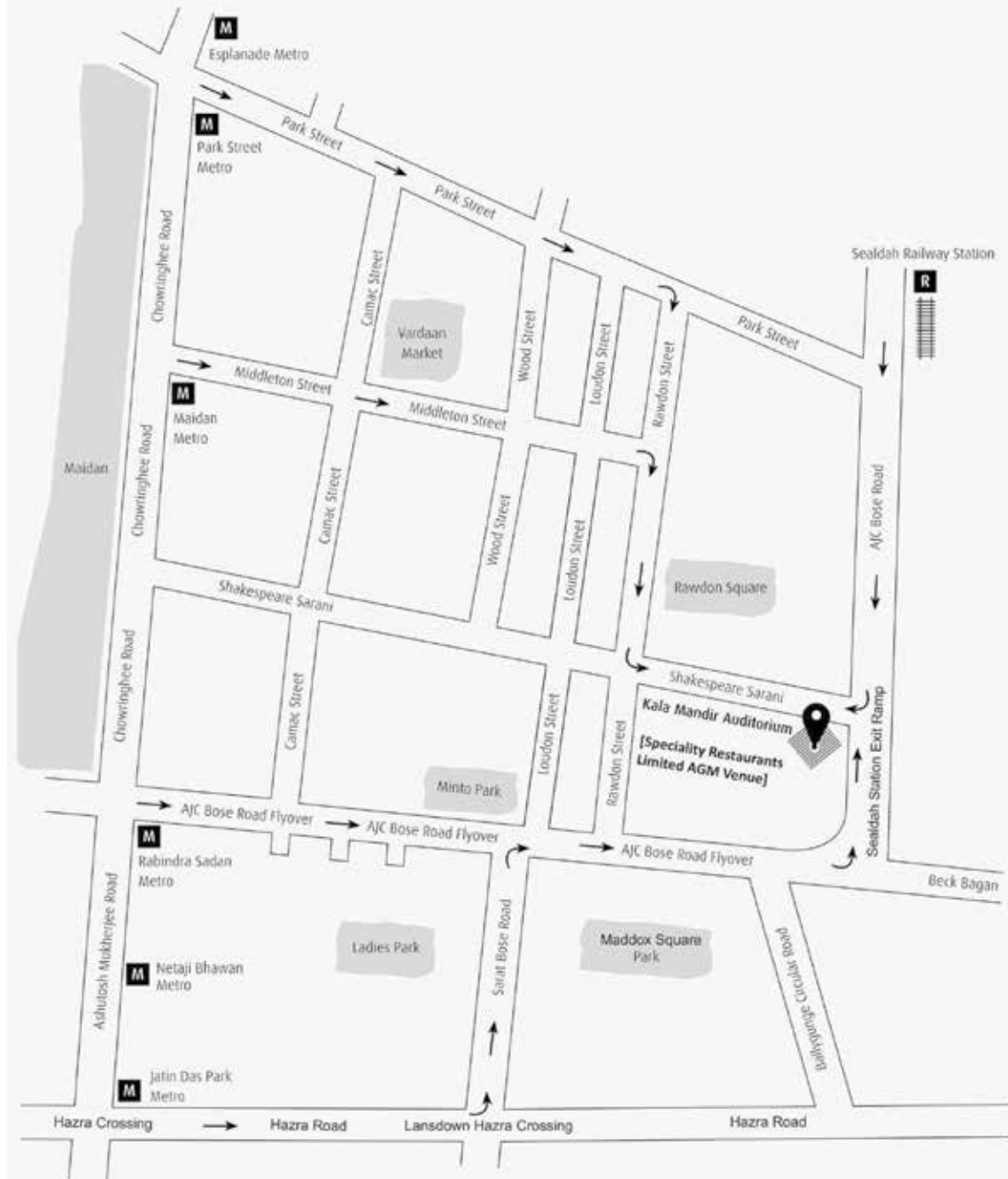
(Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard (SS-2) on General Meetings issued by the Institute of Company Secretaries of India)

Name of the Director	Mr. Anjan Chatterjee	Mrs. Suchhanda Chatterjee	Mr. Indranil Chatterjee
Director Identification Number (DIN)	00200443	00226893	00200577
Date of Birth and Age	February 16, 1959, 59 years	October 9, 1965, 53 years	April 22, 1960, 58 years
Date of First Appointment on the Board	December 1, 1999	December 1, 1999	August 18, 2005
Qualifications	Bachelor's Degree in Science and a Diploma in Hotel Management, Catering Technology and Applied Nutrition.	B.A.	B.Com., Post Graduate Diploma in Business Management
Brief Resume	Mr. Anjan Chatterjee is a Chairman and Managing Director of the Company. He has been Director of the Company since December 1, 1999. He holds Bachelor's Degree in Science from University of Calcutta and obtained a Diploma in Hotel Management, Catering Technology and Applied Nutrition from the State Council for Engineering and Technical Education, West Bengal. He has over 30 years of experience in the advertising and hospitality industry which includes training at The Indian Hotels Company Limited as a Management Trainee.	Mrs. Suchhanda Chatterjee is a whole-time Director of the Company. She has been Director of the Company since December 1, 1999. She holds a Bachelor's Degree in Arts from University of Calcutta. She has over 20 years of experience in the Hospitality industry.	Mr. Indranil Chatterjee, is a whole-time Director of the Company. He has been a Director of the Company since August 18, 2005. He holds a Bachelor's Degree in Commerce from University of Calcutta and a Post Graduate Diploma in Business Management from Institute of Modern Management, Calcutta.
Current Designation	Chairman & Managing Director	Whole-time Director designated as Director-Interior & Design.	Whole-time Director designated as Director – Commercial Operations
Nature of expertise in specific functional areas	Over 30 years of experience in Advertising and Hospitality industry.	Over 20 years of experience in the Hospitality industry.	Over 30 years of experience in the field of Finance and Marketing.
Details of other Directorships/Membership/Chairmanships of the Committees of other Boards*	Nil	Nil	Nil
(i) Names of listed entities in which the person holds the Directorship and	Chairman & Managing Director of Speciality Restaurants Limited.	Whole-Time Director of Speciality Restaurants Limited.	Whole-Time Director of Speciality Restaurants Limited.
(ii) the Membership of Committees of the Board **	Speciality Restaurants Limited Audit Committee – Member Stakeholders Relationship Committee - Member	-	Speciality Restaurants Limited Stakeholders Relationship Committee - Member
Disclosure of relationship with other Directors inter se, Manager, and other Key Managerial Personnel of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company except Mrs. Suchhanda Chatterjee, Whole-time Director of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company except Mr. Anjan Chatterjee, Chairman & Managing Director of the Company.	Not related to any Director, Manager and other Key Managerial Personnel of the Company.
No. of shares held in the Company	1,20,70,000	1,19,70,000	1,299
Terms and conditions of appointment	Terms and conditions of appointment approved at the 18 th AGM held on August 21, 2017.	Refer Item No. 4 of the AGM Notice.	Refer Item No. 5 of the AGM Notice.
Details of remuneration sought to be paid	Not Applicable since the Managing Director retires by rotation. Members have already approved the Special Resolution for re-appointment of Mr. Anjan Chatterjee as a Managing Director of the Company for a period of three years with effect from December 27, 2017 at the 18 th AGM held on August 21, 2017.	Refer Item No. 4 of the AGM Notice.	Refer Item No. 5 of the AGM Notice.
Last drawn remuneration	₹ 60,00,000/- for the financial year 2017-18.	₹ 21,00,000/- for the financial year 2017-18.	₹ 21,00,000/- for the financial year 2017-18.
No of meetings of the Board attended during the financial year 2017-18	4 Meetings	4 Meetings	5 Meetings

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

**Only two committees viz. Audit Committee and Shareholders Relationship Committee have been considered.

Route map of 19th AGM Venue of Speciality Restaurants Limited



DIRECTORS' REPORT

To,

The Members

Speciality Restaurants Limited

Your Directors hereby present the Nineteenth Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2018.

1. Financial Results

₹ In Millions

Particulars	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue from operations	2,967.9	3,124.2	2,967.9	3,124.2
Other Income	79.0	87.3	79.0	87.3
Total Income	3,046.9	3,211.5	3046.9	3,211.5
Earnings before Interest, Depreciation, Amortization and Tax	86.6	74.0	86.6	74.0
Less:				
Finance Costs	0.0	0.2	0.0	0.2
Depreciation /Amortization/Impairment	296.6	326.6	296.6	326.6
Loss before exceptional item and tax	(210.0)	(252.8)	(210.0)	(252.8)
Share of loss in Joint venture company	-	-	(19.2)	(36.7)
Loss before exceptional item and tax	(210.0)	(252.8)	(229.3)	(289.5)
Less: Exceptional item	101.4	-	15.8	-
Loss before Tax	(311.4)	(252.8)	(245.0)	(289.5)
Less: Taxes Expenses / (credit)				
Current Tax	-	2.4	-	2.4
Deferred Tax	222.6	(40.9)	222.6	(40.9)
Short provision for tax relating to prior years	-	4.2	-	4.2
Loss for the year	(534.1)	(218.5)	(467.7)	(255.2)
Total other comprehensive income	3.7	5.6	3.7	5.6
Total comprehensive income for the period	(530.4)	(212.9)	(463.9)	(249.7)

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

India continues to be one of the fastest growing large economies in the world. The year under review was far from normal. Structural transformative changes like demonetisation and implementation of the Goods and Services Tax (GST) have had an impact on the restaurant industry including your Company.

Goods and Services Tax (GST) was implemented by the Government of India across the country with effect from July 1, 2017, with a single rate of tax which was a bold move and also appreciated by all, even though it created a lot of confusion and some hardships to the common man as well as corporates. What followed next was a dynamic step of reduction in the tax slab rate with effect from November 15, 2017, wherein GST rate was reduced drastically from 18% to 5% for all standalone restaurants bringing a great relief to all customers and lot of cheer. However, with the reduction the government withdrew the Input Tax Credit facility for the restaurant industry, which was available earlier, that had a cascading effect on the organised restaurant operators.

The Restaurant industry is the only industry that is not allowed the benefit of input tax credit and hence has to bear the burden. This sudden change in the regulation by the Government has led to a substantial increase in cost of operations and also becoming detrimental for expansion and growth because of increase in project costs making it unviable.

While the economic growth momentum was temporarily impacted due to unfavourable economic conditions during the year, the Company continued its focus on the cost rationalisation and improving efficiencies.

The Company's financial performance for the financial year ended March 31, 2018 is as under:

- (i) Total Income of your Company for the year under review was ₹ 3,046.9 million as against ₹ 3,211.5 million in the previous year.
- (ii) The earnings before Depreciation, Interest, Tax and Amortization (EBDITA) amounted to ₹ 86.6 million (2.92% of the revenue) as against ₹ 74.0 million (2.37% of the revenue) in the previous year.
- (iii) Total comprehensive income for the period for the year under review was ₹ (530.4) million as against ₹ (212.9) million in the previous year.

Your company continued to face challenging environment during the year under review primarily attributable to reduction in discretionary spends of consumers as a result of inflationary trends, uncertainty in the markets on account of the lingering effects of demonetisation and confusion around GST, increase in lease rent and all other operational costs due to reversal of input tax credit. This resulted in same store sales growth remaining in the negative territory due to lower footfalls during weekdays.



Some of the other factors that played a major role were extended break-even period in some of the new restaurants, impairment of Investment and Receivables, reversal of Deferred Tax Asset, Share of Loss in Joint Venture company all of which resulted in a loss during the financial year 2017-18.

During the year under review, your Company opened nine (9) restaurants out of which three (3) are Company Owned Company Operated (COCO) while six (6) are Franchise Owned Company Operated (FOCO) and five (5) confectionaries at the end of financial year ended March 31, 2018, your Company has 106 Restaurants (including 27 franchisees), 22 Confectionaries.

However, your Company continues to pursue the development of new restaurants and conversion of existing restaurants under various brands to newer formats, catering to the changing preferences of consumers in domestic markets and aggressively pursuing international expansion of existing brands through franchise route to achieve sustainable and profitable growth.

Despite adverse economic factors and structural changes in the taxation regime in the country, your Company continues to combat the same focussing on innovative offerings to enhance guest experience together with it's efforts on cost rationalisation for improving operational efficiency.

The detailed financial performance is given in the Management Discussion and Analysis Report.

3. Dividend on Equity Shares

On account of the loss reported by the Company during the year under review and no surplus amount being available for declaration of dividend through reserves outstanding as on March 31, 2018, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2018 (previous year-Nil).

4. Employee Stock Option Scheme (ESOS)

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

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

Certificate from Statutory Auditors M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, with regard to implementation of ESOS Scheme of the Company in compliance with ESOP Regulations would be placed for inspection by the Members at the ensuing annual general meeting.

5. Audited Financial Statements

As per Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2018 i.e. Balance Sheet, Statement of Profit and Loss and a Cash Flow Statement is appended.

Your Company had adopted Indian Accounting Standards (Ind-AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by the Ministry of Corporate Affairs (MCA) with effect from April 1, 2017. Previous financial year has been restated to Ind-AS.

There are no material changes and commitments affecting the financial position of the Company subsequent to the close of the financial year ended March 31, 2018 till the date of this report.

6. Subsidiary

Your Company has a wholly owned subsidiary company, Speciality Hospitality UK Limited as at March 31, 2018, which was incorporated as a private limited company, limited by shares (bearing company number 10927982) on August 22, 2017, registered with The Registrar of Companies for England and Wales, having its registered office at 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom under the UK Companies Act, 2006.

7. Joint Venture

Your Company has a joint venture company, Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) at Doha, Qatar as at March 31, 2018. The Consolidated Financial Statements of your Company and its joint venture company, prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

The partners of the Joint venture company, in view of the losses incurred, discontinued operations of the Mainland China restaurant with effect from May 16, 2017.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of joint venture company in Form AOC-1 is attached to the Financial Statements of your Company.

Exceptional Item:

In view of the continuous cash losses in the joint venture company (JV), the joint venture partner expressed a desire to exit from the JV. Various options were explored by the partners to restructure the operations of the JV and then mutually agreed and suspended the operations of the Mainland China restaurant at Doha, with effect from May 16, 2017 as no other options were available without infusion of additional capital which was not found viable by both.

Thereafter, JV partners even explored the possibility of introduction of a new partner in order to revive the business with infusion of additional capital as required but they soon realized that doing business in Doha was not conducive any more due to sanctions by GCC countries in June 2017. The situation went from bad to worse and there was nobody willing to be a new partner in JV as they did not find it to be feasible option. Thereafter JV partners agreed to sell the assets of the JV to realize the salvage value which was utilized by the JV to settle local liabilities. As the business of the JV has been closed down due to unfavourable market conditions in Qatar, the Company was left with no choice but to make provision for financial commitment and other dues from the JV amounting to ₹ 101.4 million.

8. Awards and Recognition

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

- Mainland China, Kolkata won 'The Week Golden Plate Award' in the category of Culine-5 Rating.
- Mainland China, Pune won 'The Times Food Awards' in the category of Best Chinese restaurant.
- Oh! Calcutta, Kolkata won 'The Week Golden Plate Award' in the category Culine-5 Rating.
- Oh! Calcutta, Mumbai won 'Times Food Awards' in the category of Best Bengali in Casual Dining.
- Sigree Global Grill, Springs Hotel Chennai won the 'Burrrp Award' in the category of Best Buffet.
- Sigree, Anna Nagar, Chennai won the 'Rocheston Award' in the category of Distinguished Restaurant.
- Sigree, Anna Nagar, Chennai won the 'Times Food Awards' in the category Best North Indian Restaurant.
- Asia Kitchen by Mainland China, Spring Hotel, Chennai won 'The Week Golden Plate Award' in the category of Culine-4 Rating.
- Café Mezzuna, Kolkata won 'The Telegraph Food Guide Award' in the category of Award for Excellence.
- POH, Mumbai won the 'Living Foodz Epicurean Guild Awards' in the category of Best New Restaurant.
- Sweet Bengal, Mumbai, won the 'Times Food Awards' in the category of Best Mithai Shop.

9. Directors and Key Managerial Personnel

I. Directors

Your Company has six (6) Directors of which three (3) are Independent Directors and three (3) are Executive Directors.

II. Independent Directors

In terms of the definition of 'Independent Directors' as prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, to the effect that each of them meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) of the Listing Regulations. The following Non-Executive Directors are Independent Directors of the Company:

1. Mr. Dushyant Mehta
2. Mr. Ullal Ravindra Bhat (appointed with effect from April 28, 2017)
3. Mr. Rakesh Pandey (appointed with effect from November 29, 2017)

III. Woman Director

Mrs. Suchhanda Chatterjee is a Director of the Company since incorporation of the Company. Accordingly, the requirements of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of the Listing Regulations have been complied with by the Company.

IV. Managing Director and Whole-time Directors

Mr. Anjan Chatterjee has been serving as the Managing Director of the Company since December 2007. He has been appointed as the Chairman of the Board with effect from September 11, 2017.

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

V. Director and Key Managerial Personnel

Appointments

Mr. Ullal Ravindra Bhat (DIN: 00008425) was appointed as an Additional Director on the Board of the Company with effect from April 28, 2017. His appointment as an Independent Director of the Company with effect from April 28, 2017 for the period of five (5) years has been approved at the 18th Annual General Meeting of the Members of the Company held on August 21, 2017.

Mr. Rakesh Pandey (DIN: 00113227) was appointed as an Additional Director on the Board of the Company with effect from November 29, 2017. His appointment as an Independent Director of the Company with effect from November 29, 2017 for the period of five (5) years has been approved by the Members of the Company through a Resolution passed by Postal Ballot on March 24, 2018.

The Board of Directors of the Company has approved appointment of Mr. Anjan Chatterjee, Managing Director of the Company as Chairman of the Board with effect from September 11, 2017.



Resignation

During the year Mr. Susim Mukul Datta (DIN: 00032812), Chairman of the Board and Independent Director of your Company resigned with effect from August 31, 2017. The Board places on record its appreciation for the valuable services rendered and contribution made by Mr. Susim Mukul Datta during his tenure as Director of the Company.

Key Managerial Personnel

Mr. Anjan Chatterjee, Chairman & Managing Director; Mrs. Suchhanda Chatterjee, Whole-time Director; Mr. Indranil Chatterjee, Whole-time Director; Mr. Rajesh Kumar Mohta, Executive Director-Finance and CFO and Mr. Avinash Kinikar, Company Secretary & Legal Head are the Key Managerial Personnel of the Company as per the provisions of the Companies Act, 2013.

VI. Re-appointment of Director

Anjan Chatterjee (DIN: 00200443)

In order to comply with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anjan Chatterjee, Chairman & Managing Director of the Company agreed to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offered himself for re-appointment.

Mrs. Suchhanda Chatterjee (DIN: 00226893)

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at their meeting held on May 26, 2018, subject to the approval of the Members in the ensuing Annual General Meeting of the Company, approved the re-appointment of Mrs. Suchhanda Chatterjee, as Whole-time Director of the Company designated as Director-Interior and Design for a further period of three years with effect from July 1, 2018.

Mr. Indranil Chatterjee (DIN: 00200577)

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at their meeting held on May 26, 2018, subject to the approval of the Members in the ensuing Annual General Meeting of the Company, approved the re-appointment of Mr. Indranil Chatterjee, as Whole-time Director of the Company designated as Director-Commercial Operations for a further period of three years with effect from July 1, 2018.

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

VII. Evaluation of Performance of the Directors, Board and Committees of the Board

Pursuant to the applicable provisions of the Companies Act, 2013, the Listing Regulations and SEBI Guidance Note on Board Evaluation, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as evaluation of its Committees.

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

VIII. Policy on Directors' appointment, remuneration and other details

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

IX. Number of Board Meetings

The Board of Directors met six (6) times during the financial year ended March 31, 2018 and the intervening gap between the meetings did not exceed the period prescribed under the Companies Act, 2013. Detailed information on the Meetings of the Board is included in the report on Corporate Governance which forms part of this Annual Report. A separate Meeting of Independent Directors was also held during the financial year ended March 31, 2018.

Besides the above, several Committee Meetings of the Board were held during the financial year ended March 31, 2018, the detailed information of which is included in the report on Corporate Governance.

X. Share Capital

The Paid-up Equity Share Capital of the Company as on March 31, 2018 was ₹ 46,95,76,570/-. During the year under review, there was no change in the issued, subscribed and paid-up share capital of the Company.

XI. Related Party Transactions

All the related party contracts, arrangements and transactions during the year were entered in the ordinary course of business and on arm's length basis. There were no materially significant related party contracts, arrangements and transactions entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

All Related Party contracts, arrangements and transactions were presented to the Audit Committee for review and approval. Omnibus approval granted by the Audit Committee of the Company for the related party transactions which are foreseen and repetitive in nature were reviewed by the Committee on quarterly basis.

The Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website at the following web lin http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf

The details of the transactions with Related Parties are provided on Page No. 116 under Financial Statements.

10. Report on Corporate Governance

The report on Corporate Governance as stipulated under Regulation 34 (3) read with para C of Schedule V to the Listing Regulations forms part of the Annual Report. The requisite Certificate from the Practising Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to this report.

11. Management Discussion and Analysis Report

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

12. Composition of Audit Committee

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

13. Corporate Social Responsibility

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

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

14. Vigil Mechanism / Whistle Blower Policy

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

15. Risk Management

Your Company constituted a Risk Management Committee on November 12, 2014 for complying with the requirements of the Companies Act, 2013 and Listing Agreement to implement the risk management plan and policy of the Company.

The Formation of Risk Management Committee is only applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year in terms of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board vide their Resolution dated February 14, 2018 merged Risk Management Committee of the Company with the Audit Committee and included the terms of reference of the Risk Management Committee with the terms of reference of the Audit Committee.

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

16. Particulars of loans, guarantees or investments

Disclosure on particulars relating to loans, guarantees or investments made during the financial year ended March 31, 2018 under Section 186 of the Companies Act, 2013 is provided on Page No. 99 under Financial Statements.

17. Consolidated Financial Statement

The Consolidated Financial Statement of the Company and Joint Venture company, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of the Annual Report and are reflected in the Consolidated Financial Statement of the Company.

The Company prepared its financial statements in accordance with Ind-AS, including accounting standard read with Section 133 of the Companies Act, 2013 notified under the Companies (Accounting Standard) Rules, 2006.

The annual financial statement of the joint venture company and related detailed information will be kept at the Registered Office of the Company and will be available to investors seeking information.

The consolidated financial statement reflect the operations of the Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC), the Joint Venture company, in which your Company has 49% stake.

18. Internal Financial Controls System and their adequacy

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

In addition, during FY 2017-18, as required under Section 143 of the Companies Act, 2013, the Statutory auditors have evaluated and expressed an opinion on the Company's Internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2018.



19. Auditors and Audit Reports

I. Statutory Auditors and their report

M/s. Deloitte Haskins and Sells LLP, Statutory Auditors of the Company were appointed at the Fifteenth Annual General Meeting of the Company held on September 15, 2014 to hold office until the conclusion of the Annual General Meeting to be held in the year 2019.

Pursuant to the Companies (Amendment) Act, 2017, which was made effective from May 7, 2018, had omitted the requirement of ratification of appointment of auditors by members of the Company at every annual general meeting. Pursuant to the amendment, the Resolution for ratification of appointment of statutory auditors has been excluded from the Notice of AGM.

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

II. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice, to conduct the Secretarial Audit of your Company for the financial year ended March 31, 2018. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed as Annexure C which forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

20. Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

21. Particulars of Employees

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

The information in respect of employees of the Company required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

22. Statutory Disclosures

I. Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

(i) Conservation of Energy

The disclosures required as per the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) (A) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy is detailed below:

The Company values the significance of conservation of energy and remain conscious about the environmental impact of its business operations and continuously strives to improve energy efficiency through various initiatives. During the year, the Company undertook a variety of energy conservation measures across all its Restaurants, making continuous efforts for judicious use of energy at all levels of operations by utilizing energy efficient system and processes.

a) The steps taken or impact on conservation of energy

- Installed energy efficient LED Lights in all restaurants.
- Installed Energy Management System in 25 restaurants
- Installed Energy Saving Sensors in the AC System of 25 restaurants.

b) The steps taken by the Company for utilizing alternate sources of energy

The Company has a installed 20KW Solar Power Plant at Mainland China Restaurant at Greater Kailash (GK—II) at New Delhi.

c) The capital investment on energy conservation equipments

₹ in Millions

Particulars of Investment	Amount
Installation of Energy Management System	1.5
Installation of AC Energy Saver System	
Investment in power efficient LED Lights in all restaurants	

(ii) Technology Absorption

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

(iii) Foreign Exchange Earnings and Outgo

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

₹ in Millions

Foreign Exchange Earnings and Outgo	2017-18	2016-17
Foreign Exchange Earned in terms of actual inflows	14.3	14.3
Foreign Exchange Outgo in terms of actual outflows	1.9	2.4

II. Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

No complaint has been received by the Internal Complaints Committee during the year under review pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

23. General Disclosures

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

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

24. Extracts of Annual Return

Pursuant to Sections 134 (3) (a) and 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as at March 31, 2018 is annexed as Annexure E which forms part of this report.

25. Directors' Responsibility Statement

The Directors confirm that:-

- in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and no material departures have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year ended March 31, 2018 and of the loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26. Utilisation of net proceeds from the Initial Public Offering (“Issue”)

Pursuant to the approval of the Members of the Company obtained through Postal Ballot on November 27, 2015 the objects of the issue as disclosed in the Prospectus dated May 22, 2012 issued by the Company for its Issue were varied. In terms of variation, the Company had proposed to utilise the balance unutilised amount of ₹ 578.5 million as on March 31, 2015 towards development of new restaurants/ conversion of existing restaurants under new formats in various locations across the country depending upon various factors such as the customer’s preference, competition, suitable location, selection of suitable premises at an affordable rent, etc., in the financial years 2015-18.

The Company had utilized ₹ 355.4 million upto March 31, 2018 out of the balance unutilized amount of ₹ 578.5 million towards the new objects relating to the business of the Company approved by the Members on November 27, 2015.

The approval of Members was received through Postal Ballot on March 24, 2018 for variation in terms of the contract or objects of the issue, to utilise the balance amount towards development of new restaurants / conversion of existing restaurants under new formats for further period of three (3) years with effect from April 1, 2018.

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

The details of utilization of the IPO Proceeds and the balance outstanding as on March 31, 2018 are provided in the Corporate Governance Report.

27. Acknowledgement

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

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

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

**Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)**

Place: Mumbai.
Date: May 26, 2018

ANNEXURE A

(forming part of the Director's Report)

Disclosure under Section 62 of Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") and Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") for the year ended March 31, 2018.

Sr. No.	Description	Speciality Restaurants Limited-Employee Stock Options Scheme 2012
(i) (a)	Date of Shareholders' approval	September 28, 2012
(b)	Total number of options approved under ESOS	14,08,730
(c)	No. of options granted	5,77,200
(d)	No. of Options vested	3,37,500
(e)	Total Number of Options exercised	Nil since no option was exercised.
(f)	Total number of Ordinary Shares of ₹ 10 each arising as a result of exercise of options	Nil
(g)	Total Number of Options lapsed	2,39,700
(h)	Variation of terms of Options	Nil
(i)	Money realized by exercise of options during the year	Nil since no option was exercised during the financial year 2017-18.
(j)	Total number of Options in force	3,37,500
(k)	Vesting requirements	Options granted under SRL-ESOP 2012 would vest not less than one year and not more than six years from the date of grant of such vesting options.
(l)	Exercise Price	₹ 126.20
(m)	Pricing Formula	The exercise price approved by the Board Governance and Remuneration Committee of the Company (now known as Nomination and Remuneration Committee) under the authority of the Board and Members, was the market price which was the latest available closing price on the stock exchange on which the shares of the Company are listed where there was highest trading volume prior to the date of meeting of the Committee in which the Options were granted.
(n)	Maximum term of Options granted	During seven years from the date of grant.
(o)	Source of shares	Primary (Allotment by the Company upon exercise of option).
(ii) (a)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the fair value method of accounting for Options granted under the Company's Employee Stock Option Scheme.
(b)	When the Company opts for expensing the options using the intrinsic value of options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Not Applicable
(c)	The impact of this difference on profits and on Earnings Per Share of the Company	Not Applicable
(iii)	Option movement during the year	
	Particulars	Details
	Number of options outstanding at the beginning of the period	4,82,400
	Number of options granted during the year	Nil
	Number of options forfeited/ lapsed during the year	1,44,900
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of Options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	3,37,500
	Number of options exercisable at the end of the year	3,37,500



Sr. No.	Description	Speciality Restaurants Limited-Employee Stock Options Scheme 2012											
(iv)	Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price per Option: ₹ 126.20 Weighted average fair value per Option: ₹ 48.87											
(v) (a)	Details of Options granted to Senior Management Personnel	No options have been granted during this year											
	Sr. No. Name	No. of Options Granted during the financial year 2013-14											
	1 Mr. Indranil Chatterjee*	50,000											
	2 Mr. Indraneil Palit	50,000											
	3 Mr. Phiroz Sadri	50,000											
	4 Mr. Rajesh Kumar Dubey	50,000											
	5 Mr. Rajesh Kumar Mohta*	38,400											
	6 Mr. Nripendra Chauhan	25,000											
	7 Mr. Ramchander	26,500											
	*Key Managerial Personnel of the Company												
(b)	Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None											
(c)	Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and Conversions) of the Company at the time of grant.	None											
(vi) (a)	A description of the method and significant assumptions used during the year to estimate the fair value of the Options	<p>The fair value of each Option is estimated using Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:-</p> <table border="1"> <tr> <td>(i)</td><td>Risk-free interest rate</td><td rowspan="5">The Company has not granted any options during the financial year 2017-18.</td></tr> <tr> <td>(ii)</td><td>Expected life</td></tr> <tr> <td>(iii)</td><td>Expected volatility</td></tr> <tr> <td>(iv)</td><td>Expected Dividend yield</td></tr> <tr> <td>(v)</td><td>The price of the underlying Shares in market at the time of Option grant</td></tr> </table>	(i)	Risk-free interest rate	The Company has not granted any options during the financial year 2017-18.	(ii)	Expected life	(iii)	Expected volatility	(iv)	Expected Dividend yield	(v)	The price of the underlying Shares in market at the time of Option grant
(i)	Risk-free interest rate	The Company has not granted any options during the financial year 2017-18.											
(ii)	Expected life												
(iii)	Expected volatility												
(iv)	Expected Dividend yield												
(v)	The price of the underlying Shares in market at the time of Option grant												
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the Options. Historical data is not considered in expected life calculations.											
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	<p>Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period.</p> <p>The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.</p> <p>For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.</p>											
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of options except as mentioned in point vi (a) above.											
(vii)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings Per Share'.	Nil since no option was exercised during the year.											

For and on behalf of the Board
Speciality Restaurants Limited

Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)

Place: Mumbai.
Date: May 26, 2018



ANNEXURE B

(forming part of Directors' Report)

Annual Report on Corporate Social Responsibility Activities

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. A brief summary of initiative taken during the financial year 2017-18 is given below:-

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to web-link to the CSR Policy and Projects or programs	<p>A brief outline of the Companies CSR Policy: The Company has framed the CSR Policy to identify and support initiatives aimed at:</p> <ul style="list-style-type: none"> (i) eradicating hunger, poverty and malnutrition, promoting health care and sanitation and improving the quality of life and economic well being of individuals; (ii) training, providing and supporting educational needs of the underprivileged segments of society; and (iii) such other activities as may be permissible under Schedule VII of the Companies Act, 2013 and the relevant rules. <p>The Board of Directors of the Company have already framed the Corporate Social Responsibility Policy based on the recommendation of CSR Committee and the same has been displayed on the Company's website at the following weblink: http://www.speciality.co.in/pdf/policies/CORPORATESOCIALRESPONSIBILITY_POLICY.pdf</p> <p>Overview of the Projects undertaken: During the financial year 2017-18 the Company continued its collaboration with Sri Sai Trust to carry out the CSR activity of providing nutritional food and health support for school children in tribal areas of Karjat region under the project viz. "Nutritional Support and Health Clinic Program" ("Project") supplementing the Government mid-day meal scheme through additional nutrition.:- The Company carried out the following activities in connection with the project in collaboration with Sri Sai Trust during the financial year 2017-18:-</p> <ul style="list-style-type: none"> (i) Providing nutrition-rich food to 280 attending formal school for six days in a week, 220 days in a year. This nutritional support was provided alongwith regular mid-day meals provided by Zilla Parishad. (ii) Organised health check-ups camps for children in the clinics by lady MBBS doctors, etc. <p>The Company had not contributed amount to Sri Sai Trust during the financial year 2017-18 (₹ 1.9 Million in the previous year). The annual plan/budget received from implementing agency for the financial year 2017-18 and the unspent amount of ₹ 15,54,309/- which was available with Sri Sai Trust as on April 1, 2017 was utilized towards implementation of project in the financial year 2017-18. The Company continued to support to the project and had carried out the activity of providing nutrition-rich food for School Children in tribal areas of Karjat region under the Project viz. 'Nutritional Support and Health Clinic Program' during the financial year 2017-18.</p>
2	Composition of the CSR Committee	<p>The composition of the CSR Committee is as under:- Mr. Dushyant Mehta—Chairman Mrs. Suchanda Chatterjee-Member Mr. Ullal R. Bhat-Member</p>
3	Average Net Profits of the Company for the past three financial years.	Nil
4	Prescribed CSR expenditure (Two Percent of the amount as in item 3 above).	Nil



5	Details of CSR spent during the financial year 2017-18.	
	(i) Total amount to be spent for the financial year 2017-18.	Nil
	(ii) Amount un-spent if any.	Nil
	(iii) Manner in which the amount spent during the financial year 2017-18.	Nil
6	In case the Company has failed to spend the two per cent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending in its Board Report.	Not applicable
7	A responsibility of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Place: Mumbai
Date: May 26, 2018

Anjan Chatterje
Chairman & Managing Director
(DIN: 00200443)

Dushyant Mehta
Chairman—CSR Committee
(DIN: 00126977)

ANNEXURE C
(forming part of Directors' Report)
FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Amendment Act, 2017 (to the extent notified);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), viz:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit]
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the period of audit]
- vii. Other laws applicable specifically to the Company namely:
 - a. Legal Metrology Act, 2009.
 - b. Food Safety and Standards Act, 2006.
 - c. Food Safety and Standards Rules, 2011 and the regulations framed thereunder.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

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

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

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

For **GMJ & ASSOCIATES**
COMPANY SECRETARIES

(CS PRABHAT MAHESHWARI)

PARTNER

C.P. NO. 1432

F.C.S. NO. 2405

PLACE: MUMBAI

DATE: 26TH MAY, 2018

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

‘Annexure I’ to Secretarial Audit Report

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

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

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

For **GMJ & ASSOCIATES**
COMPANY SECRETARIES

(CS PRABHAT MAHESHWARI)

PARTNER

C.P. NO. 1432

F.C.S. NO. 2405

PLACE: MUMBAI

DATE: 26TH MAY, 2018



ANNEXURE D
(forming part of the Directors' Report)

Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Whole-time Directors, Non-Executive Directors, Executive Director-Finance & CFO and Company Secretary for the financial year 2017-18 are given below:-

Sr. No.	Name of the Director/ Key Managerial Personnel ("KMP")	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Mr. Anjan Chatterjee	Chairman & Managing Director	49.94	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director	17.48	Nil
3	Mr. Indranil Chatterjee	Whole-time Director	17.48	Nil
4	Mr. Susim Mukul Datta*	Non Executive Independent Director	4.99	Nil
5	Mr. Dushyant Mehta	Non Executive Independent Director	27.22	87.93
6	Mr. Ullal R. Bhat**	Non Executive Independent Director	23.72	Not applicable
7	Mr. Rakesh Pandey***	Non Executive Independent Director	12.98	Not applicable
7	Mr. Rajesh Kumar Mohta	Executive Director- Finance and CFO	Not applicable	Nil
8	Mr. Avinash Kinikar	Company Secretary & Legal Head	Not applicable	Nil

*Resigned with effect from August 31, 2017.

**Appointed with effect from April 28, 2017.

***Appointed with effect from November 29, 2017.

2. The percentage increase in the median remuneration of employees in the financial year 2017-18 was (16%).
3. The Company has 3,256 permanent employees on the rolls of the Company as on March 31, 2018.
4. Other Details

Sr. No.	Particulars	Remarks
1	Average percentage increase already made in the salaries of employees other than the Managerial personnel in the last financial year	During the financial year 2017-18, the overall salary of the Employees increased to around 5.15 %.
2	Percentile increase in managerial remuneration	There was no increase in the managerial remuneration as compared to previous year.
3	The comparison with the percentile increase in the Employees remuneration with managerial remuneration and justification thereof	Not comparable as there was no increase in the remuneration of managerial personnel.
4	Any exceptional circumstances for increase in the managerial remuneration	Not applicable.

5. It is affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board
Speciality Restaurants Limited

Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)

Place: Mumbai.
Date: May 26, 2018



ANNEXURE E
(forming part of Directors' Report)
FORM NO. MGT-9

Extract of Annual Return
as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L55101WB1999PLC090672
ii) Registration Date	1 st December, 1999
iii) Name of the Company	Speciality Restaurants Limited
iv) Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v) Address of the Registered office and contact details	Uniworth House, 3A Gurusaday Road, Kolkata, West Bengal-700019 Tel. No: (91 33) 22837964/65/66 Fax No: (91 33) 22809282 Email: corporate@speciality.co.in Website: www.speciality.co.in
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Tel. No: (91 22) 49186000, 49186270 Fax No: (91 22) 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	Mainland China and Indigrill Restaurant, LLC (Erstwhile Mainland China Restaurant LLC) P O Box No. 220 Doha, Qatar	N.A Foreign Company	Associate (Joint Venture)	49%	2(6)
2	Speciality Hospitality UK Limited* 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom	N.A. Foreign Company	Subsidiary (Wholly owned subsidiary company)	100%	2(87)

* The Company incorporated a wholly owned subsidiary company "Speciality Hospitality UK Limited" as a private limited company on August 22, 2017.

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2,40,40,000	0	2,40,40,000	51.19	2,40,40,000	0	2,40,40,000	51.19	0.00
b) Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other - Relatives	57	0	57	0.00	57	0	57	0.00	0.00
Sub-total (A) (1):-	2,40,40,057	0	2,40,40,057	51.19	2,40,40,057	0	2,40,40,057	51.19	0.00



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2,40,40,057	0	2,40,40,057	51.19	2,40,40,057	0	2,40,40,057	51.19	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	13,23,063	0	13,23,063	2.82	0	0	0	0	-2.82
b) Banks / FI	4,560	0	4,560	0.01	3,657	0	3,657	0.01	0.00
c) Central/ State Govt	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
a) Trust	1,500	0	1,500	0	0	0	0	0	0
b) Foreign Portfolio Investors (Corporate)	71,74,735	0	71,74,735	15.28	38,33,470	0	38,33,470	8.16	-7.12
Sub-total (B)(1):-	85,03,858	0	85,03,858	18.11	38,37,127	0	38,37,127	8.17	-9.94
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	16,97,190	0	16,97,190	3.61	30,98,911	0	30,98,911	6.60	2.99
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals.									
i) Individual shareholder holding nominal share capital upto ₹ 1 lakh	30,10,210	200	30,10,410	6.41	41,20,723	201	41,20,924	8.78	2.37
ii) Individual shareholder holding nominal share capital in excess of ₹ 1 lakh	45,22,683	0	45,22,683	9.63	95,33,351	0	95,33,351	20.30	10.67
c) Others									
i) Clearing Member	7,87,596	0	7,87,596	1.68	1,71,403	0	1,71,403	0.37	-1.31
ii) Non Resident Indian (Repat)	2,39,623	0	2,39,623	0.51	1,48,061	0	1,48,061	0.32	-0.19
iii) Non Resident Indian (Non Repat)	1,39,352	0	1,39,352	0.30	81,611	0	81,611	0.17	-0.13
iv) Foreign Companies	30,31,348	0	30,31,348	6.46	0	0	0	0	-6.46
v) Director/Relative of director	3,859	0	3,859	0.01	3,859	0	3,859	0.01	0.00
(vi) Hindu Undivided Family	9,81,681	0	9,81,681	2.09	19,22,353	0	19,22,353	4.09	2.00
Sub-total (B)(2):-	1,44,13,542	200	1,44,13,742	30.70	1,90,80,272	201	1,90,80,473	40.64	9.94
Total Public Shareholding (B) = (B)(1)+(B)(2)	2,29,17,400	200	2,29,17,600	48.81	2,29,17,399	201	2,29,17,600	48.81	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	4,69,57,457	200	4,69,57,657	100	4,69,57,456	201	4,69,57,657	100	0.00



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Anjan Chatterjee	1,20,70,000	25.70	0	1,20,70,000	25.70	0	0
2	Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	0	1,19,70,000	25.49	0	0
	Total	2,40,40,000	51.19	0	2,40,40,000	51.19	0	0

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Cumulative Shareholding during the year	
		Change in Shareholding (Sale of Shares)	Date of change in Shareholding	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There was no change in the Shareholding pattern of the Promoters of the Company during the financial year ended March 31, 2018.							

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

Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
1	Deepak Bhagnani*	01-04-2017	Opening Balance	10,27,953	2.19	10,27,953	2.19
		07-04-2017	Purchase	9,63,104	2.05	19,91,057	4.24
		14-04-2017	Purchase	13,11,926	2.79	33,02,983	7.03
		28-04-2017	Purchase	3,08,594	0.66	36,11,577	7.69
		05-05-2017	Purchase	1,12,514	0.24	37,24,091	7.93
		12-05-2017	Purchase	4,522	0.01	37,28,613	7.94
		15-09-2017	Purchase	22,660	0.05	37,51,273	7.99
		22-09-2017	Purchase	77,173	0.16	38,28,446	8.15
		29-09-2017	Purchase	8,789	0.02	38,37,235	8.17
		17-11-2017	Purchase	2,62,658	0.56	40,99,893	8.73
		24-11-2017	Purchase	23,542	0.05	41,23,435	8.78
		31-03-2018	Closing Balance	-	-	41,23,435	8.78
2	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust*	01-04-2017	Opening Balance	17,59,863	3.75	17,59,863	3.75
		31-03-2018	Closing Balance	-	-	17,59,863	3.75
3	Deepak Bhagnani (HUF)*	01-04-2017	Opening Balance	7,06,165	1.50	7,06,165	1.50
		07-04-2017	Purchase	3,76,087	0.81	10,82,252	2.31
		02-06-2017	Purchase	1,500	0.00	10,83,752	2.31
		17-11-2017	Purchase	20,116	0.04	11,03,868	2.35
		24-11-2017	Purchase	1,75,959	0.38	12,79,827	2.73
		08-12-2017	Purchase	86,259	0.18	13,66,086	2.91
		22-12-2017	Purchase	5,081	0.01	13,71,167	2.92
		31-03-2018	Closing Balance	-	-	13,71,167	2.92
4	Paradice Global Small Mid Cap Fund*	01-04-2017	Opening Balance	8,74,449	1.86	8,74,449	1.86
		31-03-2018	Closing Balance	-	-	8,74,449	1.86
5	Hostplus pooled superannuation trust paradise Investment Management Pty Limited*	01-04-2017	Opening Balance	7,99,251	1.70	7,99,251	1.70
		31-03-2018	Closing Balance	-	-	7,99,251	1.70
6	Bharat Bhagnani [#]	01-04-2017	Opening Balance	4,62,970	0.99	4,62,970	0.99
		07-04-2017	Purchase	2,29,516	0.49	6,92,486	1.48
		14-04-2017	Purchase	80,679	0.17	7,73,165	1.65
		21-04-2017	Sale	23,398	0.05	7,49,767	1.60
		31-03-2018	Closing Balance	-	-	7,49,767	1.60

Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
7	Kirti Bhagnani*	01-04-2017	Opening Balance	4,71,701	1.00	4,71,701	1.00
		07-04-2017	Purchase	1,80,625	0.39	6,52,326	1.39
		08-12-2017	Purchase	28,638	0.06	6,80,964	1.45
		15-12-2017	Purchase	17,284	0.04	6,98,248	1.49
		31-03-2018	Closing Balance	-	-	6,98,248	1.49
8	Chander Bhatia [#]	01-04-2017	Opening Balance	2,40,000	0.51	2,40,000	0.51
		23-06-2017	Purchase	2,35,000	0.50	4,75,000	1.01
		30-06-2017	Purchase	25,000	0.05	5,00,000	1.06
		14-07-2017	Purchase	45,572	0.10	5,45,572	1.16
		27-10-2017	Purchase	40,000	0.09	5,85,572	1.25
		31-03-2018	Closing Balance	-	-	5,85,572	1.25
9	Tasha Enterprises LLP*	01-04-2017	Opening Balance	4,69,145	1.00	4,69,145	1.00
		07-04-2017	Purchase	44,530	0.09	5,13,675	1.09
		09-02-2018	Purchase	13,000	0.03	5,26,675	1.12
		31-03-2018	Closing Balance	-	-	5,26,675	1.12
10	Shriyam Bhagnani [#]	01-04-2017	Opening Balance	3,29,883	0.70	3,29,883	0.70
		22-12-2017	Purchase	4,371	0.01	3,34,254	0.71
		31-03-2018	Closing Balance	-	-	3,34,254	0.71
11	SAIF III Mauritius Company Limited [@]	01-04-2017	Opening Balance	30,31,348	6.46	30,31,348	6.46
		07-04-2017	Sale	13,60,000	2.90	16,71,348	3.56
		05-05-2017	Sale	1,28,747	0.27	15,42,601	3.29
		12-05-2017	Sale	1,69,844	0.36	13,72,757	2.92
		02-06-2017	Sale	70,269	0.15	13,02,488	2.77
		09-06-2017	Sale	1,69,860	0.36	11,32,628	2.41
		16-06-2017	Sale	1,36,725	0.29	9,95,903	2.12
		23-06-2017	Sale	2,48,169	0.53	7,47,734	1.59
		30-06-2017	Sale	91,086	0.19	6,56,648	1.40
		07-07-2017	Sale	6,56,648	1.40	0	0
		31-03-2018	Closing Balance	-	-	-	-
12	SAIF India IV FII Holdings Limited [@] (Formerly known as SAIF Advisors Mauritius Limited A/C SAIF India IV FII Holdings Limited)	01-04-2017	Opening Balance	29,60,712	6.31	29,60,712	6.31
		21-04-2017	Sale	1,86,707	0.40	27,74,005	5.91
		28-04-2017	Sale	6,81,359	1.45	20,92,646	4.46
		05-05-2017	Sale	2,79,751	0.60	18,12,895	3.86
		12-05-2017	Sale	1,14,914	0.24	16,97,981	3.62
		19-05-2017	Sale	42,123	0.09	16,55,858	3.53
		26-05-2017	Sale	24,302	0.05	16,31,556	3.48
		02-06-2017	Sale	58,994	0.13	15,72,562	3.35
		09-06-2017	Sale	1,73,165	0.37	13,99,397	2.98
		16-06-2017	Sale	1,42,556	0.30	12,56,841	2.68
		23-06-2017	Sale	3,49,307	0.74	9,07,534	1.94
		30-06-2017	Sale	1,48,011	0.32	7,59,523	1.62
		07-07-2017	Sale	7,59,523	1.62	0	0
		31-03-2018	Closing Balance	-	-	-	-
13	Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund [@]	01-04-2017	Opening Balance	13,20,663	2.81	13,20,663	2.81
		07-04-2017	Sale	3,24,749	0.69	9,95,914	2.12
		14-04-2017	Sale	9,95,914	2.12	0	0
		31-03-2018	Closing Balance	-	-	-	-
14	Eastspring Investments – India Equity Fund [@]	01-04-2017	Opening Balance	3,71,190	0.79	3,71,190	0.79
		16-06-2017	Sale	88,365	0.19	2,82,825	0.60
		15-09-2017	Sale	99,957	0.21	1,82,868	0.39
		22-09-2017	Sale	8,800	0.02	1,74,068	0.37
		06-10-2017	Sale	13,311	0.03	1,60,757	0.34
		13-10-2017	Sale	1,48,854	0.31	11,903	0.03
		20-10-2017	Sale	11,903	0.03	0	0
		31-03-2018	Closing Balance	-	-	-	-

*Common top 10 shareholders as on April 1, 2017 and March 31, 2018

@ Top 10 shareholders only as on April 1, 2017

Top 10 shareholders only as on March 31, 2018



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	% change in share holding during the year	% of total shares of the company
1	Mr. Anjan Chatterjee	1,20,70,000	25.70	1,20,70,000	25.70
2	Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	1,19,70,000	25.49
3	Mr. Indranil Chatterjee	1,299	0.00	1,299	0.00
4	Mr. Dushyant Mehta	1,280	0.00	1,280	0.00
5	Mr. Ullal Ravindra Bhat	0	0.00	0	0.00
6	Mr. Rakesh Pandey	0	0.00	0	0.00
7	Mr. Rajesh Kumar Mohta	1,280	0.00	1,280	0.00
8	Mr. Avinash Kinikar	0	0.00	0	0.00

There were no changes in the Shareholding pattern of the Directors and Key Managerial Personnel of the Company during the financial year ended March 31, 2018.

V. INDEBTEDNESS

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

(In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,48,878	-	-	12,48,878
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12,48,878	-	-	12,48,878
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	9,87,597	-	-	9,87,597
Net Change	9,87,597	-	-	9,87,597
Indebtedness at the end of the financial year				
i) Principal Amount	2,61,281	-	-	2,61,281
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,61,281	-	-	2,61,281

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Mr. Anjan Chatterjee (MD)	Mrs. Suchhanda Chatterjee (WTD)	Mr. Indranil Chatterjee (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	21,00,000	21,00,000	1,02,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	50,000 options	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	60,00,000	21,00,000	21,00,000	1,02,00,000
Ceiling as per the Act		The remuneration paid to the Managing Director and Whole-time Directors was within the ceiling as per the Companies Act, 2013.			



B. Remuneration to other directors:

(In ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				
		Mr. Susim Mukul Datta*	Mr. Dushyant Mehta	Mr. Ullal R. Bhat**	Mr. Rakesh Pandey***	Total Amount
1	Independent Directors					
	• Fee for attending Board and Committee meetings	50,000	2,72,500	2,37,500	1,30,000	6,90,000
	• Commission for the year 2016-17	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	50,000	2,72,500	2,37,500	1,30,000	6,90,000
2	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	50,000	2,72,500	2,37,500	1,30,000	6,90,000
Overall Ceiling as per the Act		The remuneration paid to the Independent Directors was within the ceiling as per the Companies Act, 2013.				

*Resigned with effect from August 31, 2017.

** Appointed with effect from April 28, 2017.

***Appointed with effect from November 29, 2017.

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

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Avinash Kanhikar – Company Secretary & Legal Head	Mr. Rajesh Kumar Mohta – Executive Director-Finance & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,10,008	47,71,800	63,81,808
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option granted during the year 2013-14	-	38,400 options	38,400 options
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total Remuneration paid in financial year 2017-18	16,10,008	47,71,800	63,81,808

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

For and on behalf of the Board
Speciality Restaurants Limited

Place: Mumbai.
Date: May 26, 2018

Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

India continues to be one of the fastest growing economies in the world and this is expected to continue in financial year 2018-19, as per the latest economic survey. From a fundamental and long-term perspective, food and beverage industry continue to offer sizeable headroom for growth by increasing penetration as well as consumption. Secular trends of young population, growing affluence, rising urbanisation, increase in disposable income, growth of organised retail and burgeoning digital connectivity will increase awareness and drive consumption.

The business environment for restaurant industry has been challenging over the last three years. Although India continues to be one of the fastest growing large economies in the world, the year under review was far from normal. Structural changes like demonetisation and transformative changes like the Goods and Services Tax (GST) have had an impact on the restaurant industry including your Company.

The year witnessed the implementation of GST across the country from July 1, 2017, followed by the second round of tax slab reductions implemented by the Government from November 15, 2017, GST for restaurants reduced to 5% with no input tax credit from 18% previously with input credit.

This was a year of uncertainty in the market and hence, there was a cautious sentiment for investment. The restaurant sector is seeking re-introduction of input tax credit from the government. Given the backdrop of this large transition that the country underwent, the operating environment for your Company during the year remained challenging.

Your Company's performance for the year 2017-18 has to be reviewed in the context of the aforesaid economic and market environment.

Food and Beverages Services Industry-Overview

Food service is a key segment in Indian economy contributing to employment generation, skill development, growth in the allied industries, entrepreneurship and creating experiences. The total Indian F&B service market (organised and unorganised) is estimated at ₹ 3,37,500 crore in 2017 and projected to grow at compounded annual growth rate (CAGR) of 10% per annum and is expected to reach ₹ 5,52,000 crore by 2022. The organised segment is estimated at ₹ 1,15,000 crore in 2017 and is projected to grow at a CAGR of 16% to reach ₹ 2,37,000 crore by 2022, gaining a share of 40% from 31% in 2017. It is estimated that the food services sector will contribute 2.1% to India's GDP by 2021. (Source: NRAI Technopak India Food Services Report 2016)

The favourable Indian demographics coupled with increasing disposable incomes and urbanisation have contributed to growth of the industry. India has largest 20% working age population. 33% of Indian population is below 15 years of age and 50% of population is below 25 years.

The restaurant sector contributes highest to manpower requirement in the hospitality sector and provides impetus to other sectors as well, such as agriculture, food processing, supply chain and logistics and real estate sector.

The Indian food services sector is attracting significant interest from domestic as well as international investors as the sector is a domestic consumption driven with growth potential.

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

The food services market in India has evolved from home grown, standalone, family run business ventures into international partnerships with multipolar and integrated business model. A large number of international chains have come into Indian market.

The Indian food industry landscape is dominated by the unorganised sector, is experiencing a gradual shift with the expansion in the market share of organised players. Owing to the large consumer base and significant growth potential, the food service market in India has attracted a large number of foreign players to launch their operations. International as well as domestic organised food service players are looking to expand their operations in India by opening new outlets, engaging in partnerships, employing more manpower etc., which would help fast track the growth of organised food service sector in India.

Industry Trends

Consumers' Eating Out Behaviour

Eating out is not restricted to occasions but has become an occasion in itself. Other reasons to eat out which are not occasion specific like business meetings, alternate to home cooking, looking to try new cuisines etc., are emerging trends and allow brands to innovate.

Over the years, the Indian consumers' profile, behaviour and spending patterns have evolved with the changing economic, social and demographic landscape. The widening exposure to new cultures and cuisines, and the increased propensity of eating out, along with the growing popularity of home delivery and take away has led to the growth of food service market.

Eating out as an experience

Consumers look forward to experiences in order to distress from daily hectic routines. Eating out has emerged as a prominent avenue for relaxing and spending quality time with the family or with friends.

Technology Platforms

With the emergence of technology enabled food service and restaurant discovery players the consumers are now making table reservations, ordering food either online or through a phone call and use mobile wallets for paying the bills. Application based online aggregators and development of third party logistics service providers have introduced a whole new dimension to food service business.

Social Media / Digital Marketing

Social media has become an integral part of the young population's lifestyle. It has become an avenue for them to express their views and opinions, compare and evaluate choices and share feedback. Indian food service operators are making use of social media to communicate offers, incentives, product information and promotions. With the number of people accessible through smart devices on the rise, digital media has become quite indispensable and use of the medium for marketing initiatives has been on the rise.

Market Segments

The market segment of the organised food service industry is dominated by Casual Dining Restaurants with 60% market share followed by Premium Casual Dining Restaurants at 15% and Quick Service Restaurants at 12% while Cafe chains at 8%, Fine Dining Restaurants at 3% and Frozen desserts and ice-creams form 2%.

Evolving Customer Preferences

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

According to latest research, the Indian food services industry is largely driven by changing consumer preferences. Key players in the industry are continuously monitoring such patterns and accordingly offering innovative and new products.

Increasing Demand for World Cuisines

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

Emerging retail formats

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

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

International Opportunities

Indian cuisines has also been accepted and gained popularity in the international markets. With a vision to tap this opportunity, many established Indian food service operators including your Company are evaluating key markets such as Middle East, United Kingdom and United States of America for profitable growth.

Opportunities and Threats

Our success as an organisation depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. New opportunities are emerging in the organised segment in certain locations where a high density of people congregate, including shopping malls, travel terminals, office complexes and medical institutions. In particular, shopping malls are becoming a customary place for congregation and customer spending in shopping malls is increasing. Shopping malls tend to favour efficient formats such as kiosks and food courts, which are most suitable for fast food restaurants and casual dining full-service restaurants will likely remain standalone as mall developers are expected to encourage kiosks and food courts that house multiple establishments.

Opportunities to the Company are –

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



Your Company's success depends on the value and relevance of its brands and products to consumers and on our ability to innovate and remain competitive. Consumer tastes, preferences and behaviours are changing more rapidly than ever before. Your Company's ability to identify and respond to these changes is vital to business success. We are dependent on creating innovative products that continue to meet the needs of consumers.

Some of the threats to the Company's prospects are economic and market factors such as food cost inflation, fragmented market and increasing competition, operational challenges including high cost real estate, manpower, fragmented supply chain and liquor sourcing, uncertain regulatory environment such as high taxes, burden of new taxes and over licensing.

Competitive Advantage

During the financial year 2017-18, the Company has opened nine (9) restaurants of which three (3) are Company Owned Company Operated (COCO) and six (6) are Franchise Owned Company Operated (FOCO). The Company closed financial year 2017-18 with 106 restaurants (including 27 franchisee) and 22 confectionaries.

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

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

Asia Kitchen by Mainland China has 60% of Mainland China's offerings but there is 40% new offerings in the form of Pan Asian cuisine which includes gourmet dishes from Hong Kong, Singapore, Malaysia, Thailand, Japan, Korea, Myanmar in addition to China. The outlets has a more casual atmosphere with a much younger crowd mix.

Oh! Calcutta continues to be the coveted destination for Bengali food lovers and remains one of our core brands. With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengali's looking for the flavour of home.

POH, (Progressive Oriental House) as continuation of our determination to lead in Chinese and Pan Asian Market in India, the Company has launched a new boutique oriental restaurant. The restaurant is targeted towards crème de la crème and High Networth Individual's, who are looking for newer flavours and experience.

Gong, sacred chinese gongs are inscribed with the Mandarin chinese characters called Tai Loi, which means, happiness has arrived. GONG-Modern Asian takes you to a new level of happiness with its high energy ambience that is a contemporary take on traditional Japanese temple architecture and diverse Asian flavours that are prepared using western cooking techniques and presentations to take you journey through the mysterious culinary traditions of the Far-East.

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

Hoppipola which was launched to attract younger generation has seen one more outlet opened during the year. It is an All Day Bar serving finger food, bar nibbles and innovative mocktails. Its target market is those of young-at-heart.

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

Sweet Bengal is a chain of confectionaries serving traditional Bengali sweets and snacks created with pure cow's milk by "Karigars" from West Bengal.

Dariele is your cosy, affectionate neighbourhood confectionary and café, where the city's best croissants, buns, puffs, wraps, cakes, cookies, pastries and breads are born every day.

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

Zoodles is a Quick Service Restaurant providing tossed, stirred, grilled and wok fried delicacies. Your Company is proceeding cautiously with a 'Hub and Spokes' model to ensure efficient operations without compromise on quality and service.

Risk, concerns and Mitigation

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

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

Raw Material Costs

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

Commodity Prices

It stems from unexpected changes in commodity prices which are primarily driven by external market forces that may reduce profit margin. The price volatility makes it imperative for the Company to manage the impact of commodity price fluctuations across its value chain to effectively manage its financial performance and profitability by negotiating with the suppliers towards a fixed price agreement

Fixed Costs

The new restaurants which are being launched are of a more compact size to reduce the fixed cost. Similarly, every aspect of cost is being looked into and measures to further enhance efficiencies are being implemented.

Productivity

In order to improve the realization from each store or improvement on per square feet basis, the Company is working towards increase in service hours by keeping restaurants open between lunch and dinner at feasible locations, thereby enhancing sales and productivity.

Competition

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

Internal Controls System and their Adequacy

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

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

The Company uses an Enterprise Resource Planning (ERP) application to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of operations.

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

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

Financial Performance

Accounting policy

The financial statements have been prepared in accordance with the Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2015.

The Year 2017-18

Financial Performance as a measure of Operational Performance

a) Total Revenue

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Revenue From Operations	2967.9	3124.2	(156.3)	(5.00)
Other Income	79.0	87.4	(8.4)	(9.61)
Total	3046.9	3211.6	(164.7)	(5.13)

Total Income which comprises of Revenues from Operations and Other Income registered a reduction of 5.13% for the year. The decrease in revenue operations was mainly due to the reduction of revenue in the comparable units and prolonged shutdown of two units in a mall at Kolkata which went under renovation. Other income includes interest received from Banks/Others, Dividend on Mutual Funds Investments, Profit on Sale of Current Investments and Fixed Assets (Net), Foreign Exchange Gains (Net), Excess Credit Balance written back (Net) and Miscellaneous Income.

b) Cost of Material Consumed

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Cost of Material Consumed	953.4	1009.4	(56.0)	(5.55)



Cost of Materials consumed for the year has reduced by 5.55 % as compared to the previous year. This was primarily due to better operational efficiency and reduction in prices of certain raw materials.

c) Employee Benefit Expenses

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Employee Benefit Expenses	764.6	843.4	(78.8)	(9.34)

Employee Benefit Expenses comprises salary, bonus, allowances, Staff welfare expenses and Company's contribution to Provident Fund and Gratuity. There is an overall 9.34% reduction in Employee Benefit expenses during the year under review as compared to previous year.

d) Finance Costs

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Interest	0.1	0.2	(0.1)	(50.00)

The interest cost on vehicle loan has decreased by 50% due to repayment of vehicle loans. There was no Long-term/Short-term debt raised during the year.

e) Depreciation and amortisation expense

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Depreciation and amortisation Expense	296.6	326.6	(30.0)	(9.19)

The charge for depreciation on Property Plant & Equipment and Intangible assets was reduced for the year under review as compared to last year on account of Written down value method followed for charging depreciation with decreased amortisation expense of ₹ 8.06 million during the year.

f) Other Expenses

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Other Expenses	1242.3	1284.8	(42.5)	(3.31)

Other expenses includes rent, power & fuel, rates, taxes & license fee, insurance, operating supplies, advertising and marketing expenses, repairs and maintenance and other miscellaneous expenses. The decrease in other expenses was mainly due to cost saving measures undertaken.

g) Profitability

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Loss Before Tax (PBT)	(311.5)	(252.8)	(58.7)	23.22
Loss After Tax (Net Profit)	(534.1)	(218.5)	(315.6)	144.44

Downward trend of discretionary spend, same store sales growth being in negative territory, lower footfalls during weekdays, extended breakeven period of new restaurants coupled with increase in other expenses impacted the margin, Impairment of investment and receivables from joint venture company, reversal of Deferred Tax Asset, denial of Input Tax Credit under the Goods and Service Tax resulted in loss before and after tax during the financial year 2017-18.

In view of the continuous cash losses in the joint venture company (JV), the joint venture partner expressed a desire to exit from the JV. Various options were explored by the partners to restructure the operations of the JV and then mutually agreed and suspended the operations of the Mainland China restaurant at Doha, with effect from May 16, 2017 as no other options were available without infusion of additional capital which was not found viable by both.

Thereafter, JV partners even explored the possibility of introduction of a new partner in order to revive the business with infusion of additional capital as required but they soon realized that doing business in Doha was not conducive any more due to sanctions by GCC countries in June 2017. The situation went from bad to worse and there was nobody willing to be a new partner in JV as they did not find it to be feasible option. Thereafter JV partners agreed to sell the assets of the JV to realize the salvage value which was utilized by the JV to settle local liabilities. As the business of the JV has been closed down due to unfavourable market conditions in Qatar, the Company was left with no choice but to make provision for financial commitment and other dues from the JV amounting to ₹ 101.4 million.

Financial Position

a) Equity

(₹ In Millions)

	2017-18	2016-17	Change (₹)	Change (%)
Paid Up Share Capital	469.6	469.6	-	-
Other Equity	1,821.1	2,349.9	(528.8)	(22.50)
Total Equity	2290.7	2,819.5	(528.8)	(18.76)

Total Equity of the Company decreased during the year due to loss for the year.

b) Non-Current Financial Liabilities**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Long Term Borrowings	-	0.3	(0.3)	(100.00)
Others	88.5	94.4	(5.93)	(6.28)
Total Borrowings	88.5	94.7	(6.23)	(106.28)

The decrease in borrowing during the financial year 2017-18 was due to repayment of vehicle loans in instalments. The Company did not have any debts on its books and thus continues to be a debt free company.

c) Current Liabilities and Provisions**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Current Liabilities and Provisions	527.0	483.3	43.7	9.04

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

d) Net Tangible and Intangible Assets**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Tangible and Intangible Assets after Depreciation (Net)	1298.9	1480.3	(181.4)	(12.25)

There was an overall decrease of 12.25% in the Net Tangible and Intangible Assets of the Company primarily due to depreciation being charged on the basis of Written down value method.

e) Non-Current Financial Assets**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Investments	0.2	9.1	(8.9)	(97.8)
Loans	13.0	91.0	(78.0)	(85.7)
Other financial Assets	280.7	318.7	(38.0)	(11.9)
Total	293.9	418.8	124.9	(29.8)

There was decrease of ₹ 86.9 Millions in Joint venture investments and loans on account of impairment. Other financial assets comprises of Security and other deposit given by the Company.

f) Other Non - Current Assets**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Other non-current assets	259.5	221.3	38.2	(17.3)
Total	259.5	221.3	(38.2)	(17.3)

Other Non-Current assets comprises of capital and normal advances to vendors, prepaid expenses and deferred tax assets and balances with government authorities. There was an overall decrease of 17.3% due to payments to capital vendors for upcoming restaurants.

g) Current Assets**(₹ In Millions)**

	2017-18	2016-17	Change (₹)	Change (%)
Inventories	70.5	71.4	(0.9)	(1.3)
Financial assets				
- Investments	672.0	692.3	(20.3)	(2.93)
- Trade Receivables	64.0	49.7	14.3	28.8
- loans	6.2	6.2	-	-
- other financial assets	72.1	72.2	(0.1)	-
other current assets	117.0	123.8	(6.8)	(5.5)
Total	1001.8	1015.6	(13.8)	(1.4)

The decrease in Investments (mutual funds) was due to deployment of funds for setting up of restaurants. The increase in Trade receivables was primarily due to lower recovery of dues from franchisees.

Consolidated Financial Results

The Consolidated Financial Statements comprise the Company and its Joint Venture company prepared in accordance with Ind AS as applicable to your Company. The Consolidated Statements include the financial position of joint venture by applying equity method of accounting. The following table sets forth the Consolidated Financial results for the year ended March 31, 2018.



Particulars	March 31, 2018	March 31, 2017
Revenue from operations	2967.9	3,124.2
Other Income	79.0	87.4
Total Income	3046.9	3,211.6
Earnings before Interest, Depreciation, Amortization and Tax	86.6	74.0
Less:		
Finance Costs	0.1	0.2
Depreciation /Amortization	296.6	326.6
Loss before share of loss in Joint venture, exceptional item and tax	(210.0)	(252.8)
Share of Loss in Joint Venture Company	(19.2)	(36.7)
Exceptional Item	(15.8)	-
Loss before tax for the year	(245.1)	(289.5)
Less: Taxes Expenses / (credit)		
Current Tax	-	2.4
Deferred Tax	222.6	(40.9)
Short provision for tax relating to prior years	-	4.2
Loss for the year	(467.7)	(255.2)
Other Comprehensive Income	3.7	5.6
Total Comprehensive income for the period	(464.0)	(249.7)

The partners of the Joint venture company in view of the losses incurred, discontinued operations of the Mainland China restaurant with effect from May 16, 2017.

Share of Loss in Joint Venture company amounted to ₹ (19.2) million for the financial year 2017-18 as against ₹ (36.7) million for the previous year.

Disclosure of accounting treatment in preparation of financial statements

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

Outlook

GDP growth, primarily fuelled by consumption, is expected to touch a respectable mark of 7.5% in 2019, up from 6.5% in the previous year. An improvement in the macro-economic fundamentals is expected to spur demand by improving the overall consumer sentiment in the financial year 2018-19. The Company expects demand to pick up as and when the disposable income in the hands of consumers increases due to pick up in economic activity and various government initiatives in the areas of ease of doing business, accelerating the growth of the industry through single window clearance, reduction in number of licenses required, infrastructure, further opening of FDI, targeting inflation for monetary policy, smart cities campaign, urban development, encouraging start-ups and skill development etc.

The Company with its set of brands in different cuisines, formats and segments is well placed to leverage the opportunity in food and beverage domain.

Material developments in Human Resources

Your Company firmly believes in the strength of its most vital asset of over 3200 strong workforce. To maintain its competitive edge in a highly dynamic industry, your Company recognizes the importance of having a work force which is consumer-focused and performance-driven. In keeping with this, a number of policies and initiatives have been drawn up to ensure a healthy balance between business needs and individual aspirations. Training of employees is carried out both by in-house and outside trainers at various locations to sharpen the skill set of the workforce, building capability and creating performance oriented focus to support business performance.

Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 (3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") a report on Corporate Governance for the year ended March 31, 2018 is detailed below:-

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

2.1. Composition of the Board

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprises six Directors, of whom three are Independent Directors and three Executive Directors including Chairman.

The Directors possess experience and specialization in diverse fields, such as hoteliering, project management, manufacturing, human resource, business strategy & innovation, marketing, banking, finance and administration.

During the financial year ended March 31, 2018, Mr. Ullal Ravindra Bhat was appointed as an Additional Director of the Company with effect from April 28, 2017. His appointment as an Independent Director of the Company for the period from April 28, 2017 to April 27, 2022 was confirmed by the Members at the 18th Annual General Meeting of the Company held on August 21, 2017.

Mr. Susim Mukul Datta, Chairman of the Board and Non-Executive Independent Director of the Company resigned with effect from August 31, 2017.

The Board on recommendation of Nomination and Remuneration Committee of the Company, in its Meeting held on September 11, 2017 appointed Mr. Anjan Chatterjee, Managing Director of the Company as Chairman of the Board.

Mr. Rakesh Pandey was appointed as an Additional Director of the Company with effect from November 29, 2017. His appointment as an Independent Director of the Company for the period from November 29, 2017 to November 28, 2022 was confirmed by Members by Resolution passed by Postal Ballot on March 24, 2018.

The particulars of Directors seeking appointment / re-appointment by the Members have been included in the Notice of the Annual General Meeting.

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

Category	Name of the Director	Designation	No. of Shares held as on March 31, 2018#
Promoter Executive Directors	Mr. Anjan Chatterjee*	Chairman & Managing Director	1,20,70,000
	Mrs. Suchhanda Chatterjee *	Whole-time Director (Director -Interior & Design)	1,19,70,000
Executive Director	Mr. Indranil Chatterjee	Whole-time Director (Director -Commercial Operations)	1,299
Independent Non-Executive Directors	Mr. Dushyant Mehta	Director	1,280
	Mr. Ullal Ravindra Bhat	Director	Nil
	Mr. Rakesh Pandey	Director	Nil

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

The Company has not issued any convertible instruments.

2.2 Meeting of the Board of Directors and Board Procedures

The Board of Directors had met six (6) times during the year under review on May 27, 2017, August 28, 2017, September 11, 2017, December 12, 2017, February 14, 2018 and March 26, 2018.

The Agenda for the Board Meetings together with the appropriate supporting documents and relevant information are circulated well in advance of the meetings to enable the Board to take informed decisions.

2.3 Attendance at Board Meetings and Last Annual General Meeting

Attendance of each Director at the Board Meetings held during the financial year 2017-18 and the last Annual General Meeting (AGM) of the Company held on August 21, 2017 and the number of Companies and Committees where they are Directors/Members or Chairperson as on March 31, 2018 are given below:-



Attendance Particulars			No. of Directorship(s) held in other Indian Public Limited companies*	No. of Directorship (s) in other companies*	Membership(s) of Committees of other companies ##	Chairperson of Committees of other companies ##
Name of the Director	No. of Board Meetings Attended	AGM				
Mr. Susim Mukul Datta**	2	Yes	NA	NA	NA	NA
Mr. Anjan Chatterjee	4	No	-	12	-	-
Mrs. Suchhanda Chatterjee	4	Yes	-	8	-	-
Mr. Indranil Chatterjee	5	Yes	-	4	-	-
Mr. Dushyant Mehta	6	Yes	1	1	-	-
Mr. Ullal Ravindra Bhat***	6	Yes	4	4	3	-
Mr. Rakesh Pandey****	3	NA	-	2	-	-

* Excluding Foreign Companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

** Resigned as a Director with effect from August 31, 2017.

*** Appointed with effect from April 28, 2017.

**** Appointed with effect from November 29, 2017.

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

2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations a separate meeting of Independent Directors of the Company was held on March 26, 2018 to review (i) the performance of Non-Independent Directors and the Board of Directors as a whole; (ii) the performance of the Chairman of the Company by taking into consideration the views of Executive Directors and Non-Executive Directors. The Independent Directors also assessed the quality, quantity, and timeliness of flow of information between the Management and the Board of Directors and it's Committees which is necessary to effectively and reasonably perform their duties.

2.5 Evaluation of Board's Performance

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 and 25 of the Listing Regulations, the Board had carried out an evaluation of the Directors as well as the evaluation of the Board and its Committees. The exercise was carried out through structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, etc.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience, competency of Directors, diversity of the Board, meeting of the Board including regularity and frequency, logistics, agenda, discussion and dissent, recording of Minutes, dissemination of information, functions of the Board; including role and responsibilities, strategy and performance evaluation, governance and compliance, evaluation of risks, grievance redressal for Investors, conflict of interest, stakeholder value and responsibility, corporate culture and values, review of Board evaluation, facilitation of independent directors; evaluation of management's performance and feedback, Independence of the management from the Board, access of the management to the Board and Board access to the management, secretarial support, fund availability, succession plan and professional development.

Whole-time Directors including Managing Director were evaluated on aspect such as professional qualification, experience, knowledge and competency, fulfilment of functions, ability to function as a team, Initiative, commitment, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of Conduct and Business Ethics of the Company, contribution to the growth of the Company, leadership Initiative like new ideas and planning towards the growth of the Company, team work attributes and supervising and training of staff members, Initiating steps for development of new brands for its products, compliance with policies, Reporting of frauds, violation etc. and disclosing disclosure of interest, safeguarding the interest of whistle blowers under vigil mechanism and Safeguarding of confidential information and Maintaining integrity.

Chairman of the Board was evaluated on key aspects of his effectiveness of leadership and ability to steer the meetings, co-ordination, commitment, Independent judgement, advise provided to the executive management, ability to keep shareholders' interest in mind and Impartiality.

Areas on which the Committees of the Board were evaluated included mandate and composition effectiveness of the Committee, structure of the Committee and Meetings, Independence of the Committee from the Board and contribution to decisions of the Board.

Independent Directors were evaluated on various aspects, including inter alia qualifications, experience, knowledge and competency, fulfilment of functions, Initiative, commitment, Independence, Independent views and judgement, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable, understanding the environment in which the company operates and contribution to strategic decision,

contribution for resolving the issues at the meeting and raising valid concerns at the Board, interpersonal relations with other directors and management, objective evaluation of Board's performance, rendering independent unbiased opinion, safeguarding of confidential information and Maintaining integrity.

The Nomination and Remuneration Committee (NRC) also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the NRC provided feedback to the Board as well as Directors on an individual basis, as appropriate.

The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Executive Directors was carried by the Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

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

2.6 Familiarisation Programme for Independent Directors

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

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

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

The summary of the presentations made to the Independent Directors during the Financial Year 2017-18 as part of the ongoing familiarization programme is available on the website of the Company under the web link:

http://www.speciality.co.in/details_offamiliarization_programme_imparted_to_independent_directors.php.

3. Audit Committee

3.1 Composition, Meeting and Attendance

The Audit Committee comprises four Directors of whom three are Non-Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director. Members have varied experience in the field of banking, finance, Investment and Capital Markets. The Executive Director-Finance & CFO is a permanent invitee for the meetings. The statutory auditors are also invited to the meetings. The internal auditors are also invited to share internal audit findings with the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met seven times during the year under review on April 28, 2017, May 27, 2017, August 28, 2017, September 11, 2017, December 12, 2017, February 14, 2018 and March 26, 2018.

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

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Ullal Ravindra Bhat*	Chairman	Non-Executive Independent Director	7	6
Mr. Anjan Chatterjee	Member	Chairman & Managing Director	7	5
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	7	7
Mr. Susim Mukul Datta**	Member	Non-Executive Independent Director	7	3
Mr. Rakesh Pandey***	Member	Non-Executive Independent Director	7	2

*Appointed as Member with effect from April 28, 2017 and Chairman with effect from May 27, 2017.

**Resigned with effect from August 31, 2017.

***Appointed as Member with effect from December 12, 2017.

3.2 Terms of reference

The terms of reference of this Committee are wide enough to cover the matters specified for the Audit Committee under Regulation 18 read with Part C of Schedule II to Listing Regulations, as well as Section 177 of the Companies Act, 2013 which are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and ratification of the auditors appointment, if required, the replacement of statutory auditors, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:



- a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
 - vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - viii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - ix. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - x. Discussion with internal auditors of any significant findings and follow up there on;
 - xi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - xii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xiii. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xiv. To review the functioning of the Whistle Blower mechanism;
 - xv. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - xvi. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - xvii. Approval or any subsequent modification of transactions of the company with related parties;
 - xviii. Scrutiny of inter-corporate loans and investments;
 - xix. Valuation of undertakings or assets of the Company wherever it is necessary; and
 - xx. Evaluation of Internal Financial Controls and risk management systems.
- 3.3** Although not mandatory, the Risk Management Committee was formed on November 12, 2014. The Formation of Risk Management Committee is only applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year in terms of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board vide their Resolution dated February 14, 2018 merged Risk Management Committee of the Company with the Audit Committee and included the terms of reference of the Risk Management Committee with the terms of reference of the Audit Committee.
- 3.4** Accordingly, The additional terms of reference of the Audit Committee to include the following:
- (i) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
 - (ii) Framing, implementing, reviewing and monitoring the risk management plan for the Company; and
 - (iii) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Audit Committee.

3.5 Mandatory review of information

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

- i. Management Discussion and analysis of financial conditions and results of operations;
- ii. Statement of significant related party transactions, submitted by the management;
- iii. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- iv. Internal audit reports relating to internal control weaknesses;

- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- vi. Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32 (1) of the listing regulations.
 - b. Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulations 32 (7) of the Listing Regulations.

4. Nomination and Remuneration Committee

The Board at its meeting held on May 28, 2014, reconstituted the Board Governance and Remuneration Committee as the Nomination and Remuneration Committee ("NRC") for reviewing and recommending the remuneration payable to the Directors and senior executives of the Company and assisting the Board with respect to the process of appointment or re-election of Chairman of the Board of Directors and other executive and non-executive Directors.

4.1 Composition, Meetings and Attendance

NRC comprises of three Non-Executive Directors, all of whom are independent Directors. Mr. Dushyant Mehta is the Chairman of NRC. Mr. Ullal Ravindra Bhat was appointed as a Member of the Committee with effect from April 28, 2017. Mr. Susim Mukul Datta resigned as a Member of the Committee with effect from August 31, 2017. Mr. Rakesh Pandey was appointed as a Member of the Committee with effect from December 12, 2017. The Company Secretary acts as Secretary to the Committee. Two Meetings of NRC was held during the year under review on May 27, 2017 and September 11, 2017.

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

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Dushyant Mehta	Chairman	Non-Executive Independent Director	2	2
Mr. Susim Mukul Datta*	Member	Non-Executive Independent Director	2	1
Mr. Ullal Ravindra Bhat**	Member	Non-Executive Independent Director	2	2
Mr. Rakesh Pandey ***	Member	Non-Executive Independent Director	NA	NA

* Resigned as Member with effect from August 31, 2017.

** Appointed as Member with effect from April 28, 2017.

*** Appointed as Member with effect from December 12, 2017.

4.2 Terms of reference

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

- i. To assist the Board of Directors with the process of appointment or re-election of Chairman of the Board of Directors and other non-executive and executive directors. In this regard, the NRC shall adhere to the following:
 - a. For the appointment/ re-election of the Chairman of the Board and with a view of reaching unequivocal consensus of the Members of the Board on the candidate, the Chairman of the NRC shall conduct a consultation with the Members of the Board and report the conclusion to the Board, after having discussed the same with the Members of the NRC;
 - b. To submit to the Board the names of candidates for new Members of the Board and to make relevant proposals to the Board in the event of renewal, resignation or possible retirement of any existing Member of the Board. With regard to proposals for appointment of Members of the Board, the NRC shall discuss with the Board, the Board's equilibrium criteria and profile of the candidate.
- ii. To draft procedures and propose modifications thereof for the appointment of Members of the Board, Managing Director and Chief Executive Officer;
- iii. To assist the Board of Directors in formulating and implementing the remuneration policy of the Company vis-à-vis the Executive Directors of the Company;
- iv. To recommend to the Board of Directors, the terms of compensation of the Executive Directors;
- v. To recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 2013;
- vi. To approve any changes in the system of remuneration of the Company's senior executives;
- vii. To prepare remuneration report to be included in the report on corporate governance forming part of the annual report of the Company;
- viii. To consider and administer the ESOP Scheme and to formulate the detailed terms and conditions of the ESOP scheme including the following matters:
 - a. The quantum of options to be granted under an employee stock option scheme per employee and in aggregate;
 - b. The conditions under which options vested in employees may lapse in case of termination of the employment for misconduct;



- c. The exercise period within which the employee should exercise that option and that option would lapse on failure to exercise the option within the exercise period;
- d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
- e. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- f. The procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the NRC:-
 - (i) the number and the price of stock options shall be adjusted in a manner such that the total value of the stock options remains the same after the corporate action;
 - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - (iii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- g. The grant, vest and exercise of option in case of employees who are on long leave; and
- h. The procedure for cashless exercise of option.
- ix. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, to recommend to the Board their appointment and removal and shall carry out the performance evaluation of each of the directors of the Company including independent directors.
- x. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- xi. The NRC while formulating the above policy shall ensure that:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, key managerial personnel, and senior management involves balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- xii. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- xiii. Devising a policy on diversity of board of directors.
- xiv. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

4.3. Performance evaluation criteria for independent directors

Independent Directors are evaluated on parameters such as qualifications, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, commitment, Independence, Independent views and judgement, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable, understanding the environment in which the company operates and contribution to strategic decision, Contribution for resolving the issues at the meeting and raising valid concerns at the Board, Interpersonal relations with other directors and management, Objective evaluation of Board's performance, rendering independent unbiased opinion, Safeguarding of confidential information and Maintaining integrity.

4.4 Remuneration Policy

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

4.4.1 Remuneration of Executive Directors

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

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

4.4.2 Remuneration of Non-Executive Directors

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

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

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

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

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

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

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

4.4.4 Remuneration to Other Employees

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

4.4.5 Stock Options

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

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

5 Remuneration of Directors

5.1 Pecuniary relationship or transactions of Non-Executive Directors

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

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

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

The Board at its Meeting held on December 12, 2017, approved increase in the aforesaid sitting fees payable to Non-Executive Directors from ₹ 10,000/- to ₹ 30,000/- for attending each meeting of the Board and from ₹ 7,500/- to ₹ 20,000/- for attending each meeting of the Committee.

The Company has not granted any stock option to any of its Non-Executive Directors.

Besides the sitting fees, all Non-Executive Directors may also be paid commission subject to the overall limit of 1% of the net profits of the Company in pursuance of the approval granted by the Members of the Company at the Annual General Meeting held on August 24, 2016.

The details of payment of sitting fees paid to the Non-Executive Independent Directors during the financial year 2017-18 were as under:

Sr. No.	Name of the Director	Sitting fees paid for the FY 2017-18 (₹)
1	Mr. Susim Mukul Datta*	50,000
2	Mr. Dushyant Mehta	2,72,500
3	Mr. Ullal Ravindra Bhat**	2,37,500
4	Mr. Rakesh Pandey***	1,30,000
Total		6,90,000

*Resigned with effect from August 31, 2017.

**Appointed with effect from April 28, 2017.

***Appointed with effect from November 29, 2017.



In view of the lower profitability of the Company during the financial year 2016-17, no commission was paid to the Non-Executive Independent Directors in the Financial Year 2017-18.

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

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

The remuneration package of Managing Director/Whole-time Directors comprises of salaries, allowances, perquisites and contribution to provident fund and other funds and/or commission. The details of remuneration paid for the financial year 2017-18 are summarised below:-

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

5.4 Stock option details

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

No option was granted during the financial year 2017-18. During the financial year 2017-18, 12,500 stock options were vested in favour of Mr. Indranil Chatterjee on September 6, 2017 and 50,000 stock options on cumulative basis as on March 31, 2018. No vested options were exercised by him as on March 31, 2018. During the financial year 2017-18, 12,500 vested options lapsed due to non-exercise.

5.5 Service contracts, notice period and severance fees

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

6. Stakeholders Relationship Committee

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

6.1 Composition, Meetings and Attendance

As on March 31, 2018, the Committee comprises of three members namely, Mr. Dushyant Mehta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee. Mr. Susim Mukul Datta resigned as the Chairman of the SRC with effect from August 31, 2017. Mr. Dushyant Mehta was appointed as Member and Chairman of the SRC with effect from December 12, 2017. Mr. Avinash Kinikar, Company Secretary & Legal Head of the Company acts as the Secretary to the Committee and is also the Compliance Officer of the Company. One Meeting of SRC was held during the year under review on December 12, 2017, which was attended by all the Members.

6.2 Terms of reference

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

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

6.3 Status report on number of shareholders' complaints received, resolved and pending during the year ended March 31, 2018

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

During the financial year under review the Company had received three (3) complaints. All the complaints were resolved during the year to the satisfaction of the shareholders /investors and no complaints were pending as at the close of the financial year.

7. Corporate Social Responsibility Committee

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

7.1 Composition, Meetings and Attendance

The CSR Committee comprises of three Members namely, Mr. Dushyant Mehta, Mrs. Suchhanda Chatterjee and Mr. Ullal Ravindra Bhat. Mr. Dushyant Mehta is appointed as Chairman of the Committee with effect from April 28, 2017. Mr. Ullal Ravindra Bhat is appointed

as Member of the Committee with effect from April 28, 2017. The Company Secretary acts as the Secretary to the Committee.

One Meeting of CSR Committee was held during the year under review on December 12, 2017, which was attended by Mr. Dushyant Mehta and Mr. Ullal Ravindra Bhat.

7.2 Terms of reference

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

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

8. Risk Management Committee

The Formation of Risk Management Committee is only applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year in terms of Regulation 21(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.1 Composition, Meetings and Attendance

The Committee was comprised of Mr. Indranil Chatterjee, Chairman, Mr. Dushyant Mehta and Mr. Ullal Ravindra Bhat as its Members. Mr. Ullal Ravindra Bhat was appointed as a Member of the Committee with effect from April 28, 2017. Mr. Indranil Chatterjee was appointed as Chairman of the Committee with effect from April 28, 2017. The Company Secretary acts as the Secretary to the Committee.

One Meeting of Risk Management Committee was held during the year under review on April 28, 2017 which was attended by Mr. Indranil Chatterjee and Mr. Dushyant Mehta.

The Board vide their Resolution dated February 14, 2018 merged Risk Management Committee of the Company with the Audit Committee and included the terms of reference of the Risk Management Committee with the additional terms of reference of the Audit Committee.

9. General Body Meetings

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

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of special resolution
1	2016-17	18 th AGM	August 21, 2017	11.00 a.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017	Resolution No. 5: Re-appointment of Mr. Anjan Chatterjee (DIN: 00200443) as Managing Director of the Company.
2	2015-16	17 th AGM	August 24, 2016	11.00 a.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	Resolution No. 4: Payment of remuneration to Non-Executive Directors
3	2014-15	16 th AGM	August 26, 2015	11.00 a.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata-700017	Resolution No. 4: Ratification of the remuneration received by Mr. Anjan Chatterjee in excess of the limits for the financial year 2014-15 and modification of the terms and conditions of Remuneration with effect from April 1, 2015. Resolution No. 5 Re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director of the Company. Resolution No. 6 Re-appointment of Mr. Indranil Chatterjee as a Whole-time Director of the Company.

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

All Resolutions were approved through e-voting/ ballot at the meeting held on August 21, 2017 last year.

10. Postal Ballot

During the year under review, postal ballot was conducted in the month of February and March, 2018 in respect of the following:

Item No.	Description of the Resolution	Type of Resolution
1.	Variation in terms of the contract or objects of the Issue	Special
2.	Appointment of Mr. Rakesh Pandey (DIN: 00113227) as an Independent Director of the Company.	Ordinary



M/s. T. Chatterjee & Associates, Practicing Company Secretaries firm (ICSI - Firm Unique Code No.: S2007WB097600) was appointed as a Scrutiniser for conducting the Postal Ballot process in accordance with the Companies Act, 2013 and the Rules made thereunder in a fair and transparent manner.

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

Name of the Resolution	Type of Resolution	Votes cast in favour of Resolution		Votes against the Resolution	
		No. of votes cast	%	No. of votes cast	%
Variation in terms of the contract or objects of the Issue	Special	2,78,85,365	100	156	0
Appointment of Mr. Rakesh Pandey (DIN: 00113227) as an Independent Director of the Company.	Ordinary	2,78,85,219	100	202	0

Procedure for Postal Ballot:

- In compliance with Section 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company provided e-voting facility to all its members. The Company had engaged the services of Central Depository Services (India) Limited ("CDSL") for providing the e-voting facility to the members.
- The Members had the option to vote electronically or through physical ballot forms.
- The Company dispatched the Postal Ballot notice dated February 14, 2018 and forms along with the self-addressed, postage pre-paid envelope to all the Members whose name appeared in the Register of members/ list of beneficiaries as on the cut-off date February 16, 2018.
- The Company also published the notice in the newspaper on February 22, 2018 declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and the applicable Rules.
- The voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date.
- Members exercising their votes through Postal Ballot were requested to send the duly completed and signed Postal Ballot forms as per the details stated in the Notice.
- The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- The Scrutinizer submitted his report dated March 26, 2018 to the Chairman after completion of the scrutiny and the consolidated results of the voting by Postal Ballot were announced by the Chairman as per the Scrutinizer's Report.
- Based on the Scrutiniser's Report, the Chairman declared that the Resolutions as set out in the Postal Ballot Notice dated February 14, 2018 have been duly passed by the Shareholders with requisite majority on March 24, 2018, being the last date for receipt of Postal Ballot Forms/casting of votes by e-voting.
- The result was also uploaded on the Company's website besides being communicated to the Stock Exchanges and the Depositories.

None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

11. Means of Communication

11.1 Quarterly results

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

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

11.2 Presentations made to institutional investors or to the analysts

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

12. General Shareholder Information

12.1 Nineteenth Annual General Meeting

Day, Date & Time : Monday, August 27, 2018 at 11.00 a.m.

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

12.2 Financial Calendar for 2018-19

Financial reporting for the quarter ending June 30, 2018.	2nd Week of August, 2018
Financial reporting for the quarter/half year ending September 30, 2018.	2nd week of November, 2018
Financial reporting for the quarter ending December 31, 2018.	2nd week of February, 2019
Financial reporting for the year ending March 31, 2019.	Last week of May, 2019

12.3 Book-closure date - Tuesday, August 21, 2018 to Monday, August 27, 2018 (Both days inclusive)

12.4 Listing Details

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

National Stock Exchange of India Limited, ("NSE") "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.
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12.5 Stock Codes

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

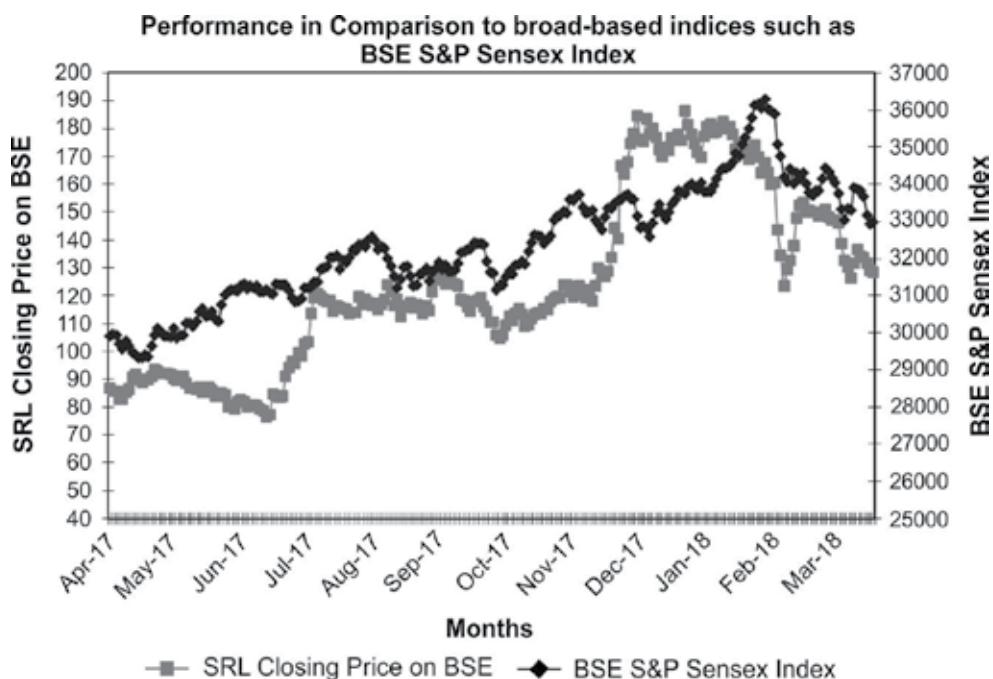
The Listing Fees have been paid to NSE and BSE for the financial year 2018-19.

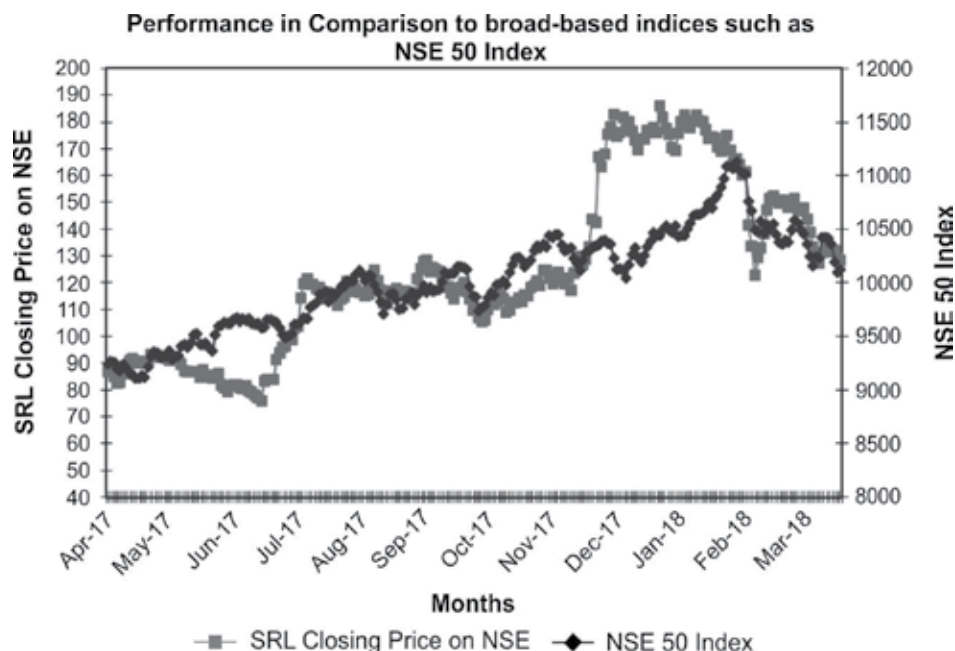
12.6 Stock Market Data

The monthly high/low of the market price of the shares of the Company during the financial year 2017-18 is given below.

Months	BSE Limited (BSE)				National Stock Exchange of India Limited (NSE)			
	High	Low	No. of Shares traded	S&P BSE Sensex Closing	High	Low	No. of Shares traded	Nifty 50 Index Closing
April 2017	95.00	79.05	16,24,736	29,918.40	95.60	80.30	29,10,919	9,304.05
May 2017	95.00	77.05	2,64,276	31,145.80	95.65	77.15	6,71,095	9,621.25
June 2017	104.20	73.10	5,17,482	30,921.61	103.90	72.30	40,09,654	9,520.90
July 2017	124.65	99.00	17,62,955	32,514.94	125.00	98.25	65,77,587	10,077.10
August 2017	128.00	110.05	5,24,921	31,730.49	128.45	108.70	40,27,574	9,917.90
September 2017	130.30	103.65	3,56,525	31,283.72	130.80	103.00	29,83,632	9,788.60
October 2017	128.05	106.20	3,10,231	33,213.13	128.95	105.05	26,19,857	10,335.30
November 2017	195.35	115.25	7,49,396	33,149.35	194.90	115.55	71,04,664	10,226.55
December 2017	191.40	149.00	5,07,251	34,056.83	190.95	162.95	37,30,219	10,530.70
January 2018	186.65	158.15	3,22,239	35,965.02	187.40	160.00	26,20,071	11,027.70
February 2018	165.45	116.00	2,60,933	34,184.04	166.00	120.00	33,66,516	10,492.85
March 2018	149.50	115.00	2,82,958	32,968.68	150.00	115.35	10,33,705	10,113.70

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





12.8 Registrar and Share Transfer Agents

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083.

Tel No. (91 22) 49186000/ 49186270

Fax No. (91 22) 49186060 E-mail: rnt.helpdesk@linkintime.co.in

12.9 Shares Transfer System (Physical Form)

The Board has delegated the authority for approving the transfer, transmission, etc. of the Company's Equity Shares to the Stakeholders Relationship Committee comprising of Mr. Dushyant Mehta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee as its Members. The transfer of share certificates in physical form are effected in 15 days and certificates are issued within 30 days from the date of receipt, if the documents are clear in all respects.

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

12.10 Distribution of Shareholding as on March 31, 2018

No. of Equity Shares held	No. of Members	% of Members	No. of Shares held	Total % to the Paid up share capital
1 - 500	11,623	84.57	12,01,579	2.56
501 - 1,000	862	6.27	6,89,781	1.47
1,001 - 2,000	520	3.78	7,94,729	1.69
2,001 - 3,000	204	1.49	5,16,671	1.10
3,001 - 4,000	99	0.72	3,59,608	0.76
4,001 - 5,000	98	0.71	4,63,167	0.99
5,001 - 10,000	155	1.13	11,25,550	2.40
10,001 and above	182	1.33	4,18,06,572	89.03
Total	13,743	100.00	4,69,57,657	100.00

12.11 Shareholding Pattern as on March 31, 2018

Category	No. of Share held	Total % to the Paid up share capital
Promoters and their relatives	2,40,40,057	51.20
Other Bodies Corporate	30,98,911	6.60
Foreign Portfolio Investors (Corporate)	38,33,470	8.16
Non Resident Indians	2,29,672	0.49
Non-Nationalised Banks	2,724	0.00
Public and Others	1,57,52,823	33.55
Total	4,69,57,657	100.00

12.12 Top ten shareholders as on March 31, 2018

Name of the Shareholder	No. of Share held	% of Shareholding
Anjan Chatterjee	1,20,70,000	25.70
Suchhanda Chatterjee	1,19,70,000	25.49
Deepak Bhagnani	41,23,435	8.78
Retail Employees Superannuation Pty Limited as Trustee for Retail Employees Superannuation Trust	17,59,863	3.75
Deepak Bhagnani (HUF)	13,71,167	2.92
Paradise Global Small Mid Cap Fund	8,74,449	1.86
Hostplus Pooled Superannuation Trust Paradise Investment Management Pty Limited	7,99,251	1.70
Bharat Bhagnani	7,49,767	1.60
Kirti Bhagnani	6,98,248	1.49
Chander Bhatia	5,85,572	1.25
Total	3,50,01,752	74.54

12.13 Reconciliation of Share Capital Audit

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

12.14 Dematerialisation of Shares

4,69,57,456 Equity Shares representing 99.99 % of the paid-up Equity Share Capital has been dematerialized as on March 31, 2018.

The Company's equity shares are regularly traded on NSE and BSE, in dematerialised form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE247M01014.

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

No GDRS/ADRS/Warrants or any convertible instruments have been issued by the Company which were pending for conversion as on March 31, 2018.

12.16 Commodity Price risk or foreign exchange risk and hedging activities

The Company is not exposed to any commodity price risk. The disclosure of the foreign exchange risk and Company's hedging activities wherever required is given in the Page No. 114 of the Annual Report.

12.17 Dealing with securities which have remained unclaimed

In terms of Regulation 39(4) read with schedule VI of the Listing Regulations, the Company has delegated procedural requirements to Link Intime India Private Limited, the Share Transfer Agent (STA) of the Company. The STA has confirmed that they do not have any unclaimed shares lying with them as on March 31, 2018.

12.18 Unpaid and Unclaimed Dividends

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 21, 2017 on the Company's website www.speciality.co.in and on the website of the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), the Company is required to transfer not only all unclaimed / unpaid dividend but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years from the date they first became due for payment, by any shareholder, to the Demat Account of the IEPF.

Given below are the last dates by which the Members can claim the unpaid / unclaimed dividend before to the IEPF by the Company

Financial Year	Date of Declaration of Dividend	Last date to claim unclaimed dividend *
2012-13	13-08-2013	11-09-2020
2013-14	15-09-2014	14-10-2021
2014-15	26-08-2015	24-09-2022

*Indicative dates, actual dates may vary



13. Locations of Restaurants and Confectionaries as on March 31, 2018 Location of Company Owned Company Operated restaurants (COCO Model):

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	3A, Gurusaday Road, Uniworth House, Kolkata-700019.
2	Mainland China	South City Mall, Shop No.313, 3rd Floor, 375, Prince Anwar Shah Road, Kolkata-700068.
3	Mainland China	Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T1-T2 (EM Bypass), Kolkata-700105.
4	Oh! Calcutta	10/3, Elgin Road, 4th Floor, Forum Mall, Kolkata - 700020.
5	Oh! Calcutta	Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
6	Sigree Global Grill	Silver Arcade, 1st Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
7	Flame & Grill	Shop No 310, South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700068.
8	Flame & Grill	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054.
9	Machaan	Mani Square, 4th Floor, Shop No. 407, 164/1, Manicktala Main Road, (EM Bypass), Kolkata -700054.
10	Haka	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
11	Haka	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054.
12	Hoppipola	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1, Manicktala Main Road, (EM Bypass), Kolkata - 700054.
13	Hoppipola	Acropolis Mall, 4th Floor, Premises No. 1858/1, Rajdanga Main Road, Kolkata 700107
14	Kix	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
15	Café Mezzuna	Forum Mall, 4th Floor, Shop Nos. 401-402, 10/3, Elgin Road, Kolkata, 700020.
16	Café Mezzuna	South City Mall, 2nd Floor, 375, Prince Anwar Shah Road, Kolkata 700068
17	Asia Kitchen by Mainland China	Acropolis Mall, Unit No. R 002, 4th Floor, 1858/1, Rajdanga Main Road, Kolkata 700107
18	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Road, Andheri (W), Mumbai- 400053.
19	Mainland China	City Park, 1st Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076.
20	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
21	Mainland China	Unit No. S-00, Growels 101 Mall, Kandivali (East), Mumbai-400101.
22	Mainland China	R City Mall, 3rd Floor, L.B.S Marg, Ghatkopar (West), Mumbai - 400086.
23	Mainland China	Viviana Mall, F-38, 1st Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606.
24	Mainland China	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
25	Oh! Calcutta	Hotel Rosewood, 99/C Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.
26	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053.
27	Oh! Calcutta	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai-400052.
28	Hoppipola	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai- 400052.
29	Hoppipola	Shop Nos. 135-138 A, Galleria Shopping Center, Hiranandani Gardens, Powai, Mumbai 400059.
30	Hoppipola	First Floor, Todi Building, Mathurudas Mill Compound, Opp. Kamala Mills, Lower Parel, Mumbai 400013
31	Hoppipola	Third Floor, Infinity Mall – II, Link Road, Malad West, Mumbai 400064
32	Sigree	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
33	Sigree-Global Grill	Ventura Shopping, 1st Floor Central Avenue Road, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
34	Sigree-Global Grill	Palm Spring, Unit No.812, 8th Floor, Next to D'Mart Store, Link Road, Kanchpadha, Malad (W), Mumbai-400064.
35	Asia Kitchen by Mainland China	Unit No. T-16, 3rd Floor, Palladium Mall, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013.
36	Asia Kitchen by Mainland China	Unit No. R-04, Third Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (East), Mumbai-400063.
37	Asia Kitchen & Bar	Sakinaka Junction, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400072.
38	Zoodles	Shop Nos. 4 & 5, Oshiwara Lotus Co-operative Housing Society Limited, Building No. 12, Plot No. 50, MHADA Complex, Oshiwara, Andheri West, Mumbai-400053.

Sr. No.	Name of the Restaurant	Address of the Restaurant
39	Zoodles	Unit No. FC-18, 3rd Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai 400063
40	Zoodles	Unit No. FC-03, Second Floor, Viviana Mall, Pachpakhadi, Pokhran Road No. 2, Thane West - 400 606.
41	Zoodles	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
42	POH	21, Pandurang Budhkar Marg, Kamala Mills, Lower Parel, Mumbai, 400013.
43	Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune-411001.
44	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
45	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
46	Mainland China	EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028.
47	Sigree	City Tower, Ground floor, Dhole Patil Road, Pune-411011.
48	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
49	Hoppipola	Ground Floor, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
50	“Gong – Modern Asian”	Unit Nos. 22 and 23, Ground floor, Balewadi High Street, Balewadi, Pune 411045
51	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048.
52	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301.
53	Oh! Calcutta	Ground Floor, Block “E”, American Plaza, International Trade Tower, Nehru Place, New Delhi-110019.
54	Oh! Calcutta	DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon 122002.
55	Mainland China	14, Church Street, Bengaluru-560001.
56	Oh! Calcutta	14, Church Street, Bengaluru-560001.
57	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
58	Mainland China	136, 1st Cross, 5th Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095.
59	Mainland China	19, 5th Block, 5th Main Road, 40th cross, Jayanagar, Bengaluru-560041.
60	Mainland China	Orion Mall, Brigade Gateway, 26/1, 80 Feet Road, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055.
61	Mainland China	28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
62	Mainland China	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
63	Sigree Global Grill	28 /2, Primus Building, Siddapura, Whitefield Main Road, Bengaluru-560066.
64	Sigree Global Grill	2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
65	Hoppipola	No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru- 560038.
66	Hoppipola	3rd Floor, 14, Church Street, Bengaluru - 560001.
67	Hoppipola	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043
68	Mainland China	Phoenix Market City, 1st Floor, Velachery Road, Chennai – 600042.
69	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floors, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
70	Mainland China	Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
71	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
72	Asia Kitchen by Mainland China	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai, Tamilnadu 600034
73	Sigree	Building No.6-3-1186/1/1, First Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
74	Sigree Global Grill	4th Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
75	Hoppipola	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
76	Kibbeh	Building No.6-3-1186/1/1, Fourth Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
77	Flame & Grill	Building No.6-3-1186/1/1, 2nd and 3rd Floor, Near. ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
78	Hoppipola	Plot No. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
79	Mainland China	Dreams Hotel, S.A.Road, Ernakulam Junction, Cochin-682020.



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

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	3rd Level, Centre Square Mall, Near Genda Circle, Sarabhai Road, Vadodara- 390007.
2	Mainland China	A1/ (a), IRC Village, Nayapalli, Bhubaneshwar-751015.
3	Mainland China	S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019.
4	Mainland China	Riverside Mall, Plot No. 3. 3rd Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010.
5	Mainland China	Shop No.301, 3rd Floor, Junction Mall, City Center, Durgapur-713216.
6	Mainland China	Central Mall, 5th Floor, Frazer Road, Patna-800004.
7	Mainland China	Gulmohar Mahal, 4th Floor, Satellite Road, Ahmedabad-380015.
8	Mainland China	Siam Tower, Road No.15, Sector 3,Uttara Model Town, Dhaka, Bangladesh
9	Mainland China	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
10	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
11	Mainland China	SCO 26, Sector-29, Gurgaon-122002.
12	Mainland China	Srinivas Towers, NBR 5 Centhop Road, Chennai-600018.
13	Sigree	15, First Floor, Sardar Patel Road, Adyar, Chennai-600020.
14	Sigree	Dynasty Tower, Plot-1, Road-12, Block-C, Section-6, Mirpur, Dhaka-1216, Bangladesh
15	Sigree	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
16	Mainland China	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
17	Mainland China	New No. 96. Old No. 15, S Block, 5th Avenue, (Opposite T.N.E.B. Office), Anna Nagar, Chennai-600040.
18	Zoodles	Food Court, Level III, Domestic Departure, Terminal 2, Chhatrapati Shivaji International Airport, Sahar Road, Andheri East, Mumbai 400099
19	Sigree	Plot No. 4737, New Door Nos.17, 19, 21, Old Door No. AA24, AA Block, 3rd Street, Annanagar East, Chennai – 600040.
20	Mainland China	Plot No. 19, Kannamwar Nagar, Opp. Sonagaon Police Station, Wardha Road, Nagpur – 440015.
21	Sigree	Plot No. 19, Kannamwar Nagar, Opp. Sonagaon Police Station, Wardha Road, Nagpur – 440015.
22	Hoppipola	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
23	Machaan	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CGM Bunglow, Lalpur, Ranchi 834001.
24	Sigree	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
25	Mainland China	Gala No. 2, Nice Sankul, Padmashree Babubhai Rathi Chowk, Trimbak Road, Nice, Satpur, Nashik 422007.
26	Mainland China	08, Sir Ernest De Silva Mawtha, Flower Road, Colombo 07, Sri Lanka 577139.
27	Sigree Global Grill	5/360, 1st Floor, Rajiv Gandhi Salai, Okkiyum, Thoraipakkam, Chennai 600097.

Confectionaries (Company Owned and Company Operated):

Sr. No.	Name of the Confectionary	Address of the Confectionary
1	Sweet Bengal	Shop No. 9, Saooli Bldg, Apt, Opp. Andheri Sports Complex, J. P. Road, Andheri (W), Mumbai-400058.
2	Sweet Bengal	Shop No. 8, Kenwood Bldg, Ambedkar Road, Bandra (W), Mumbai-400050.
3	Sweet Bengal	Shop No. 8, Fairlawn Co-Op Hsg. Society Ltd, Near Bahri Petrol Pump, Sion-Trombay Road, Chembur, Mumbai-400071.
4	Sweet Bengal	Shop No.72-A, Maker Arcade Premises Co. Op. Society, Cuffee Parade, Mumbai-400005.
5	Sweet Bengal	29, Om Geeta Niwas, Shivaji Park, Mahim, Mumbai-400016.
6	Sweet Bengal	Shop No.4, Shivgauri Apts, Ahimsha Marg, Off. Link Road, Malad (W), Mumbai-400064.
7	Sweet Bengal	Shop No.10, Matru Ashish, Nepean Sea Road, Mumbai-400036.
8	Sweet Bengal	Shop No.126, Galleria Shopping Complex, Hiranandani Gardens, Powai, Mumbai-400076.
9	Sweet Bengal	2, Shaswat, M.G. Road, Opp: Jain Mandir, Vile Parle (E), Mumbai-400057.
10	Sweet Bengal	L-12, Gokuldharm Shopping Center, Gokuldharm, Goregaon (East), Mumbai-400 063.
11	Sweet Bengal	Shop No. 29, E.M.P. 51, Evershine Halley Co-operative Housing Society, Thakur Village, Kandivali East, Mumbai - 400 101.
12	Sweet Bengal	Queens Gate, Shop No.6, Ghodbunder Road, Hiranandani Estate, Thane- 400607.

Sr. No.	Name of the Confectionary	Address of the Confectionary
13	Sweet Bengal	Shop no-18, Trimbak Tower, Plot no-86, Sector-15, CBD Belapur, Palm - Beach Road, Navi Mumbai - 400614.
14	Sweet Bengal	Viviana Mall, Voltas Compound, Pokhran Road No. 2, Subhash Nagar, Thane (West) - 400 610
15	Sweet Bengal	Unit No.K-02, Third Floor, International Business Park, Oberoi Mall, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400063
16	Sweet Bengal	Shop Nos. 4 & 5, Oshiwara Lotus Co-operative Housing Society Limited, Building No. 12, Plot No. 50, MHADA Complex, Oshiwara, Andheri West, Mumbai – 400053.
17	Sweet Bengal	Shop No. 54, situated on Plot No.73 at Ground Floor of The Welfare Chamber Co-Op Housing Society Ltd., Sector 17, Vashi, Navi Mumbai – 400703.
18	Sweet Bengal	Plot No. 194, Mandepeshwar Road, Borivali West, Mumbai 400 092
19	Sweet Bengal	Plot No. 68, Chapel Road, Opp. Mount Carmel's Church, Bandra West, Mumbai 400 050
20	Sweet Bengal	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
21	Sweet Bengal	Padma nagar, Link road Shimpoli village , Cts no-389/9, Borivali West, Mumbai – 400 092
22	Dariable	Ground Floor, Unit No. "C", 42A, Shakespeare Sarani, Kolkata 700 017.

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

14. Address for correspondence

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Private Limited at C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083 or contact on Tel. No. (91 22) 49186000/ 49186270, Fax No. (91 22) 4918 6060. Email: rnt.helpdesk@linkintime.co.in

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

Mr. Avinash Kinshikar

Company Secretary & Legal Head

Speciality Restaurants Limited,

Morya Landmark I, 4th Floor, B 25,

Veera Industrial Estate, Off. New Link Road,

Andheri (West), Mumbai 400 053.

Tel. No. (91 22) 6268 6700

E-Mail: investor@speciality.co.in or avinash@speciality.co.in

15. Other Disclosures

15.1 Disclosure on materially significant Related Party Transactions

There were no materially significant transactions during the year ended March 31, 2018 with related parties, vis., Promoters, Directors or the Key Managerial Personnel or their relatives or Joint Venture company that had potential conflicts with the interests of the Company at large.

The Audit Committee had granted its approval for all Transactions with related parties which were in the ordinary course of business and on an arm's length pricing basis. The Audit Committee also granted omnibus approval for certain repetitive transactions with the related parties. The same were reviewed on a quarterly basis by the Audit Committee. Transactions with the related parties as per the requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in Note No. 37 to the Financial Statements.

15.2 Strictures and Penalties

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

15.3 Vigil Mechanism/Whistle Blower Policy

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

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

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

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



i. The Board

The Company has maintained a Separate Chairman's office upto August 31, 2017 for the Non-Executive Chairman of the Company till the date of his resignation.

Managing Director of the Company is designated as Chairman of the Board with effect from September 11, 2017.

ii. Shareholder Rights

The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading 'Means of Communication' and also uploaded on the website of the Company www.speciality.co.in alongwith the investor presentations. Since the financial results are published in the newspapers having wide circulation, only the annual accounts are sent to each Member.

iii. Modified opinion(s) in audit report

The Auditors have not issued any modified opinion in audit report on the financial statements of the Company for the financial year ended March 31, 2018.

iv. Separate post of Chairman and Chief Executive Office

The Chairman of the Board was a Non-Executive Independent Director and his position was separate from that of the Managing Director till August 31, 2017.

The Managing Director of the Company is appointed as Chairman of the Board with effect from September 11, 2017.

v. Reporting of Internal Auditor

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

15.5 Subsidiary Company

During the year ended March 31, 2018, the Company did not have any material listed/unlisted Subsidiary Company as defined in Regulation 16 of the Listing Regulations. The Company's policy for determining material subsidiaries is placed on the Company's website at the following weblink http://www.speciality.co.in/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf

15.6 Policy on dealing with related party transactions

The Policy for dealing with related party transactions has been displayed on the website of the Company viz., www.speciality.co.in under the following web link:- http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf

15.7 Commodity price risks and hedging activities

The Company is not exposed to any commodity price risk.

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

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

Pursuant to the approval of the Board and the Shareholders received in the year 2012, the Company had undertaken an initial public offering of its equity shares of ₹ 10 each (the "IPO"). The net proceeds from the IPO were ₹ 1760.90 million. The disclosures regarding utilization of net proceeds of the Issue in the Prospectus included the following: (i) development of new restaurants and (ii) development of a food plaza (the "Objects"). Whilst the Company made its best efforts to utilise the proceeds of the Issue, it was unable to utilise approximately ₹ 578.5 million, as of March 31, 2015 (the "Unutilised Amount") towards the Objects.

The Members of the Company vide Special resolution dated March 24, 2018, by way of Postal Ballot approved Variation in terms of the contract or objects of the Issue to utilise the balance proceeds from the IPO in relation to the funds intended for Development of new restaurants/conversion of existing restaurants for the further period of three (3) years with effect from April 1, 2018.

The Utilisation of IPO proceeds as on March 31, 2018 is summarised below:

(₹ in million)

	Particulars	Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012.	Spent upto March 31, 2015	Balance available as on March 31, 2015	Variation in plan approved for financial year 2015-18	Amount available for spent in financial year 2015-18	Amount Utilised upto March 31, 2018	Balance amount to be utilised as on March 31, 2018
	A	B	C	D	E	F	G	H
(i)	Development of new restaurants	1316.0	894.1	421.9	(421.9)	-	-	-
(ii)	Development of new restaurants/ conversion of existing restaurants (Refer Note below)	-	-	-	578.5	578.5	355.4	223.1
(iii)	Development of a food plaza	151.0	-	151.0	(151.0)	-	-	-
(iv)	Repayment of Term Loan facilities	94.2	94.2	-	-	-	-	-
(v)	General Corporate purpose	10.5	10.5	-	-	-	-	-
(vi)	Issue related expenses	189.2	183.6	5.6	(5.6)	-	-	-
	Total	1760.9	1182.4	578.5	-	578.5	355.4	223.1

Note: The amount shown in column (G)(ii) represents utilised amount after March 31, 2015 related to the objects disclosed in the prospectus dated May 22, 2012. ₹ 66.1 million was spent from April 1, 2015 upto the date of approval by the shareholders on November 27, 2015, which is included in total spent of ₹ 355.4 million.

The Members of the Company by way of postal ballot approved Special Resolution for Variation in terms of the contract or objects of the Issue for the balance unutilised amount as on March 31, 2018 for a further period of three years upto March 31, 2021.

17. Code of Conduct

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board Members and all the employees in the Management cadre of the Company as required under Regulation 17 (5) of the Listing Regulations.

All the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on March 31, 2018.

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

All the Independent Directors have affirmed compliance to the above Code for Independent Directors as on March 31, 2018.

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

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

18. Code for Prevention of Insider Trading

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

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

I hereby declare that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct / Business Ethics Policy and Code for Independent Directors, as applicable for Board Members / Senior Management Personnel as adopted by the Company for the Financial Year ended March 31, 2018.

Place: Mumbai
Date: May 26, 2018

Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)



CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR/EXECUTIVE DIRECTOR – FINANCE & CFO
(Issued in accordance with the provisions of Regulation 17(8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors

Speciality Restaurants Limited

- (A) We have reviewed the financial statements and the cash flow statement of Speciality Restaurants Limited for the year ended March 31, 2018 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes, if any, in internal control over financial reporting during the year ended March 31, 2018.
 - (2) Significant changes, if any, in accounting policies made during the year ended March 31, 2018 and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Place: Mumbai

Date: May 26, 2018

Anjan Chatterjee
Chairman & Managing Director
(DIN: 00200443)

Rajesh Kumar Mohta
Executive Director – Finance & CFO

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Speciality Restaurants Limited (the “**Company**”) for the financial year ended on 31st March, 2018 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

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 of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

For **GMJ & ASSOCIATES**
COMPANY SECRETARIES

(CS PRABHAT MAHESHWARI)
PARTNER
C.P. NO. 1432
FCS NO. 2405

PLACE: Mumbai

DATE: 26th May, 2018



INDEPENDENT AUDITOR'S REPORT

To The Members of Speciality Restaurants Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Speciality Restaurants Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.



- e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: 26 May, 2018



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of Speciality Restaurants Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: 26 May, 2018



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and buildings being constructed thereon, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. In respect of its inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company had granted loans in the previous years to a Company covered in the register maintained under section 189 of the Companies Act, 2013.
 - a. At the time of the grant of the loan, the terms and conditions of such loans were, in our opinion, *prima facie*, not prejudicial to the Company's interest.
 - b. Repayment of interest has not been regular. Principal of ₹ 76.73 million and interest of ₹ 7.34 million is outstanding for more than 90 days. As per the explanations provided to us by the Management, the loan is expected to be converted into equity shares. However, on account of continuing losses incurred by the party the entire amount of the loan and interest has been provided as doubtful and charged to the Statement of Profit and Loss during the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments. The Company has not provided any guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are also no unclaimed deposits.
- vi. Having regard to the nature of the Company's business/activities, reporting under clause (vi) of CARO 2016 Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and service tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
 - c. Details of dues of Income-tax, Sales Tax, Service tax, Excise duty and Value Added Tax and that have not been deposited on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ in Millions)
Income Tax Act, 1961	Income Tax	High Court, Bombay	2010-11	1.55
		Commissioner of Income Tax (Appeals)	2011-12	1.32
		Commissioner of Income tax	2011-12	0.92
Bombay Sales Tax Act, 1959	Sales Tax	Sales tax Appellate Tribunal	1999-00	0.11
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner of Sales Tax (Appeal)	2008-13	23.36
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2013-14	14.08

Name of the Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ in Millions)
Maharashtra Value Added Tax, 2002	Value Added Tax	Deputy Commissioner of Sales Tax (Appeal)	2008-12	6.51
Maharashtra Value Added Tax, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2012-14	14.40
Andhra Pradesh VAT Act, 2005	Value Added Tax	Appellate Deputy Commissioner	2012-16	1.89
Central Excise Act, 1944	Excise	Deputy Commissioner-Excise	2008-15	6.15
Finance Act, 1994	Service Tax	Commissioner Service Tax	2012-15	78.75

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

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai
Date: 26 May, 2018

Balance Sheet as at 31 March, 2018

₹ In Millions

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
ASSETS				
Non-current assets				
a. Property, Plant and Equipment	5	996.27	1,135.66	1,321.21
b. Capital work-in-progress		288.39	327.01	348.27
c. Intangible assets	5	14.24	17.66	24.59
d. Financial assets				
i. Investments				
(a) Investment in joint venture	6	-	8.88	8.88
(b) Other investments	7	0.19	0.17	0.17
ii. Loans	8	12.97	91.02	67.44
iii. Other financial assets	9	280.72	318.69	297.14
e. Deferred tax assets (net)	39 (b)	-	222.61	184.50
f. Other non-current assets	10	259.45	221.33	277.97
Total non-current assets		1,852.23	2,343.03	2,530.17
Current assets				
a. Inventories	11	70.45	71.36	71.06
b. Financial assets				
i. Other investments	7	671.96	692.28	705.71
ii. Trade receivables	12	63.94	49.65	37.27
iii. Cash and cash equivalents	13	52.19	38.74	52.72
iv. Bank balances other than (iii) above	13	0.13	0.13	0.13
v. Loans	8	6.15	6.23	26.11
vi. Other financial assets	9	72.05	72.21	55.90
c. Other current assets	10	117.02	123.80	124.01
Total current assets		1,053.89	1,054.40	1,072.91
Total Assets		2,906.12	3,397.43	3,603.08
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	14	469.58	469.58	469.58
b. Other equity	15	1,821.06	2,349.88	2,559.90
Total equity		2,290.64	2,819.46	3,029.48
LIABILITIES				
Non-current liabilities				
a. Financial Liabilities				
i. Borrowings	16	-	0.26	1.25
ii. Other financial liabilities	18	88.45	94.38	93.45
Total non-current liabilities		88.45	94.64	94.70
Current liabilities				
a. Financial Liabilities				
i. Trade payables	17	424.02	377.73	374.23
ii. Other financial liabilities	18	33.06	33.12	35.35
b. Provisions		-	-	10.66
c. Other current liabilities	19	69.95	72.48	58.66
Total current liabilities		527.03	483.33	478.90
Total liabilities		615.48	577.97	573.60
Total Equity and Liabilities		2,906.12	3,397.43	3,603.08
Significant accounting policies	2			

The accompanying Notes 1 to 45 are an integral part of the financial statement

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
DIN : 00200443

Rajesh Kumar Mohta
Executive Director - Finance
& Chief Financial Officer

Avinash Kinhikar
Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425
Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018



Statement of Profit and Loss for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I Revenue from operations	20	2,967.91	3,124.18
II Other income	21	79.03	87.35
III Total Income (I + II)		3,046.94	3,211.53
IV Expenses			
Cost of materials consumed	22	953.39	1,009.40
Employee benefits expense	23	764.61	843.37
Finance costs	24	0.07	0.18
Depreciation and amortisation expense	25	296.56	326.61
Impairment loss on financial assets	26	7.96	17.15
Other expenses	27	1,234.38	1,267.61
Total Expenses		3,256.97	3,464.32
V Loss before exceptional item and tax (III - IV)		(210.03)	(252.79)
VI Exceptional item (Refer note 42)		101.41	-
VII Loss before tax (V - VI)		(311.44)	(252.79)
VIII Tax expense			
(1) Current tax		-	2.41
(2) Deferred tax		222.61	(40.86)
(3) Short provision for tax relating to prior years		-	4.16
		222.61	(34.29)
IX Loss for the year (VII - VIII)		(534.05)	(218.50)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plan		3.69	8.32
A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	(2.75)
X Total other comprehensive income [A (i-ii)]		3.69	5.57
XI Total comprehensive income for the period (IX + X)		(530.36)	(212.93)
Earnings per equity share	30		
(1) Basic (in ₹)		(11.37)	(4.65)
(2) Diluted (in ₹)		(11.37)	(4.65)
Significant accounting policies	2		
The accompanying Notes 1 to 45 are an integral part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
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Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425

Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ In Millions

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 1, 2016	14	469.58	-	469.58
As at March 31, 2017		469.58	-	469.58
As at March 31, 2018		469.58	-	469.58

B. OTHER EQUITY

₹ In Millions

Particulars	Notes	Capital Reserve	Securities Premium Account	Retained earnings	Share options outstanding account	Total
As at April 1, 2016	15	1.67	1,626.50	923.25	8.48	2,559.90
Loss for the year		-	-	(218.50)		(218.50)
Movement on account of ESOP's		-	-	-	2.91	2.91
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	5.57	-	5.57
Total comprehensive income/(loss) for the year		-	-	(212.93)	-	(210.02)
As at March 31, 2017		1.67	1,626.50	710.32	11.39	2,349.88
Loss for the year		-	-	(534.05)		(534.05)
Movement on account of ESOP's					1.54	1.54
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	3.69	-	3.69
Total comprehensive income/(loss) for the year		-	-	(530.36)		(528.82)
As at March 31, 2018		1.67	1,626.50	179.96	12.93	1,821.06
Significant accounting policies	2					
The accompanying Notes 1 to 45 are an integral part of the financial statements						
See accompanying notes forming part of the financial statements						

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Rakesh N. Sharma

Partner

For and on behalf of the Board of Directors

Anjan Chatterjee

Chairman and Managing Director

DIN : 00200443

Rajesh Kumar Mohta

Executive Director - Finance

& Chief Financial Officer

Avinash Kinthikar

Company Secretary & Legal Head

Ullal Ravindra Bhat

Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977

Place: Mumbai

Date: 26 May, 2018

Place: Mumbai

Date: 26 May, 2018



Cash Flow Statement for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Cash flow from Operating Activities			
Loss before tax		(311.44)	(252.79)
Adjustments for:			
Depreciation and amortisation expense		296.56	326.61
(Gain)/Loss on sale of Property, plant and equipment (net)		(0.72)	4.63
Profit on sale of investments (net)		(5.54)	(0.56)
Gain on fair value of investments		(10.94)	(1.71)
Finance costs		0.07	0.18
Interest from banks/others		(3.09)	(9.43)
Interest on income tax refund		(3.14)	-
Dividend on current investments		(20.77)	(40.96)
Unwinding effect of security deposits		5.67	8.90
Share based payments measured at fair value		1.54	2.91
Lease rent equalisation adjustment		(6.56)	1.72
Provision for diminution in value of investments		8.88	-
Provision for doubtful debts & advances		100.48	17.15
Foreign exchange loss/gain (net)		0.28	2.92
Operating Profit before working capital changes		51.28	59.57
Adjustments for (increase)/decrease in operating assets:			
Inventories		0.91	(0.30)
Trade receivables		(17.40)	(13.35)
Other current financial assets		0.16	(16.31)
Other non-current financial assets		30.81	(37.05)
Other current assets		(15.87)	14.28
Other non-current assets		(24.57)	19.89
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		45.96	3.50
Other current liabilities		1.15	22.14
Short-term provisions		-	(10.66)
Other current financial liabilities		10.00	3.10
Cash generated from operations		82.43	44.81
Net income tax refund/(paid)		5.62	(11.67)
A. Net cash generated from Operating Activities (A)		88.05	33.14



Cash Flow Statement for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(150.41)	(150.57)
Proceeds from sale of property, plant and equipment		11.81	50.53
Purchase of current investments		(1,124.81)	(884.45)
Proceeds from sale of current investments		1,161.60	899.77
Current loans		0.85	20.81
Non-Current loans		1.32	(26.18)
Interest received		5.36	2.34
Dividend received		20.77	40.96
Bank deposits placed		(0.03)	1.56
B. Net cash used in Investing Activities (B)		(73.54)	(45.23)
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		(0.99)	(1.71)
Finance costs		(0.07)	(0.18)
C. Net cash used in Financing Activities (C)		(1.06)	(1.89)
Net increase / (decrease) in cash and cash equivalents (A+B+C)=(D)		13.45	(13.98)
Cash and cash equivalents at the beginning of the year (E)		38.74	52.72
Cash and cash equivalents at the end of the year (D) +(E)		52.19	38.74
Significant accounting policies	2		
The accompanying Notes 1 to 45 are an integral part of the financial statements			

1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
Borrowings			Fair value changes	
	1.25	(0.99)	-	0.26
	As at April 1, 2016	Cash Flows	Non-cash changes	As at March 31, 2017
			Fair value changes	
	2.96	(1.71)	-	1.25

The accompanying Notes 1 to 39 are an integral part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
DIN : 00200443

Rajesh Kumar Mohta
Executive Director - Finance
& Chief Financial Officer

Avinash Kinhikar
Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425

Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018



NOTES TO THE FINANCIAL STATEMENTS

1 COMPANY BACKGROUND

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

2 SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Upto the year ended 31 March, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2016. Refer Note 3 for the details of first-time adoption exemptions availed by the Company.

The Company has not early applied the following IND AS that has been issued but is not yet effective:

IND AS 115 - Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 April 2018.

IND AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective.

Under IND AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The amendments apply prospectively for annual periods beginning on or after April 1, 2018. The Company is still in the process of evaluating the impact of the above standard on the financial statements.

b) Basis of preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

c) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Freehold land is not depreciated.

Assets acquired under finance leases are accounted for at the inception of the lease in accordance with Ind AS 17 on Leases at the lower of the fair value of the asset and present value of minimum lease payments.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Leasehold land is amortised over the duration of the lease.

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



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

Depreciation has been provided on Written Down Value (WDV) Method. The estimated useful life which is in line with Schedule II to the Act is set out herein below.

Asset	Useful life
Computers	3 - 6 years
Plant and Equipment	15 years
Vehicles	8 - 10 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) Intangible assets

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

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

Patents and Trademarks are amortised uniformly over a period of five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

e) Capital work-in-progress:

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

f) Impairment of tangible and intangible assets:

An asset is considered as impaired in accordance with Ind AS 36 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

g) Revenue Recognition

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

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

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

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

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

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

h) Other income:

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

i) Inventories:

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

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

j) Employee Benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Indian Accounting Standard 19 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 profit or loss in the period in which the service is rendered.

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

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

k) Foreign currency transactions and translations

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions and translations are as under:

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of profit and loss.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or subsequently enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.



Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

n) Earnings Per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with IND AS 33 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

o) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Finance lease

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments, The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease

Rental expense from operating leases is generally recognised on a straight line basis over the term of the relevant lease, Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Interest free lease deposits are remeasured at amortised cost by the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expense uniformly over the lease period. Interest income measured by the effective interest rate method is accrued.

p) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in IND AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

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

q) Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured

using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent asset is neither recognised nor disclosed in the financial statements.

r) Employee share based payments

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of Equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Equity settled employee benefits reserve.

s) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at FVTPL

Debt instruments that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in Joint venture

Investment in joint venture is carried at cost in the separate financial statements.



Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables and any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under IND AS 109.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3 First-time adoption:

Overall principle

The Company has prepared the opening balance sheet as at 1 April, 2016 (the transition date) as per Ind AS by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the exemption availed by the Company as per IND AS 101 detailed below.

3.1 Deemed cost for property, plant and equipment, and intangible

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4 Critical accounting judgments and key sources of estimation uncertainty

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following is the critical judgement, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1.1 Classification of Mainland China Restaurant (LLC) as a joint venture

Mainland China Restaurant (LLC) is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have right to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Mainland China Restaurant (LLC) is classified as a joint venture of the Company.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of equity investment and receivables from joint venture company

During the year, the directors considered the recoverability of equity investments and receivables from joint venture company “Mainland China Restaurant LLC” in Qatar. The joint venture company has stopped commercial operations on account of continuing losses and accordingly the Company has recognised an impairment loss of ₹ 101.41 million for diminution in value of company’s investment in equity shares and receivables from the joint venture company. The impairment loss has been disclosed as an “Exceptional item” in the Statement of Profit and Loss.

4.2.2 Useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2018, 2017 and 2016, there were no changes in useful lives of property plant and equipment and intangible assets.

The company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a restaurant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

4.2.3 Impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

4.2.4 Deferred tax asset

The Company reviews the carrying value of Deferred tax asset (DTA) at the end of each reporting period. Since the expected revenues and profits were not achieved in the current year, the Management on a prudent basis concluded that sufficient taxable profits are not available for the DTA to be recovered in the near future and accordingly the same has been fully provided in the financial statements.

4.2.5 Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. There are certain obligations which management have concluded based on all available facts and circumstances are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the financial statements.



Note 5

Property, Plant and Equipment (PPE) and Intangible Assets

₹ In Millions

Particulars	Freehold Land	Leasehold Improvements	Leasehold land (Refer note 3 below)	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total PPE	Software	Trademark	Total Intangible Assets
Balance at 1 April, 2016 (Refer note 1 below)	26.65	647.36	82.37	312.93	225.72	7.62	13.34	5.22	1,321.21	8.95	15.64	24.59
Additions	-	89.52	-	23.22	40.68	3.31	5.45	-	162.18	0.09	1.61	1.70
Disposals	-	(60.17)	(14.77)	(2.30)	(0.79)	-	(1.38)	(3.03)	(82.44)	-	-	-
Balance at 31 March, 2017	26.65	676.71	67.60	333.85	265.61	10.93	17.41	2.19	1,400.95	9.04	17.25	26.29
Additions	-	80.93	-	30.00	41.61	2.37	5.27	-	160.18	1.41	3.23	4.64
Disposals	-	(44.40)	-	(6.44)	(2.57)	(0.01)	(0.34)	-	(53.76)	-	-	-
Balance at 31 March, 2018	26.65	713.24	67.60	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Accumulated depreciation/ amortisation and impairment												
Balance at 1 April, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	51.50	-	0.30	(0.02)	-	0.09	0.82	52.69	-	-	-
Depreciation expense	-	(175.66)	(0.48)	(63.55)	(67.94)	(4.18)	(4.67)	(1.50)	(317.98)	(3.45)	(5.18)	(8.63)
Balance at 31 March, 2017	-	(124.16)	(0.48)	(63.25)	(67.96)	(4.18)	(4.58)	(0.68)	(265.29)	(3.45)	(5.18)	(8.63)
Eliminated on disposal of assets	-	42.50	-	0.12	0.06	-	0.01	-	42.69	-	-	-
Depreciation expense (Refer note 2 below)	-	(169.20)	(0.44)	(53.81)	(56.16)	(3.63)	(4.79)	(0.47)	(288.50)	(2.62)	(5.44)	(8.06)
Balance at 31 March, 2018	-	(250.86)	(0.92)	(116.94)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Carrying amount												
Balance at 1 April, 2016	26.65	647.36	82.37	312.93	225.72	7.62	13.34	5.22	1,321.21	8.95	15.64	24.59
Balance at 31 March, 2017	26.65	552.55	67.12	270.60	197.65	6.75	12.83	1.51	1,135.66	5.59	12.07	17.66
Balance at 31 March, 2018	26.65	462.38	66.68	240.47	180.59	5.48	12.98	1.04	996.27	4.38	9.86	14.24

Notes:

1. Carrying value of PPE and Intangible assets as on 1 April 2016 is considered as deemed cost on transition date, arrived as per previous GAAP. (Refer note 3.1) as follows:

₹ In Millions

Particulars	Tangible Assets	Intangible Assets	Total
Gross Block as on 1 April 2016	2,615.29	60.58	2,675.87
Accumulated Depreciation as on 1 April 2016	1,294.08	35.99	1,330.07
Carrying Value as on 1 April 2016	1,321.21	24.59	1,345.80

2. Depreciation for the year includes impairment charge aggregating ₹ 37.21 million (Previous Year - ₹ 48.87 million)

3. Land represents the amount where the entity is a lessee under finance lease.



Note 6 Investments - Non current

₹ In Millions

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Qty.	Amount	Qty.	Amount	Qty.	Amount
Unquoted at cost						
Investments in Equity instruments						
Mainland China Restaurant (LLC) of QAR 1,000 each (Joint venture)	490	8.88	490	8.88	490	8.88
Less: Impaired		(8.88)		-		-
Total Investments Carrying Value		-		8.88		8.88
Aggregate Carrying Value of unquoted investments		-		8.88		8.88
Aggregate amount of impairment in value of investments in joint venture		8.88		-		-

Note 7 Other investments
Non-Current

₹ In Millions

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Units	Amount	Units	Amount	Units	Amount
Unquoted at cost						
Investment in Government or Trust Securities	-	0.19	-	0.17	-	0.17
(NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	-	-	-	-	-
Total non-current investments	-	0.19	-	0.17	-	0.17
Current						
Unquoted Investments						
Investment in Mutual Funds (at FVTPL)						
Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	631,461	135.97	-	-	-	-
HDFC Banking And PSU Debt Fund - Direct - Growth Option	3,748,455	53.19	-	-	-	-
ICICI Equity Arbitrage Fund - Direct Growth	4,365,468	103.34	-	-	-	-
ICICI Prudential Short Term Plan - Direct Plan - Growth Option	1,444,750	54.18	-	-	-	-
Kotak Equity Arbitrage Fund - Direct Plan Growth	4,336,672	110.65	-	-	-	-
Kotak Floater Short Term - Direct Growth	10,983	31.32	-	-	-	-
Kotak Low Duration Fund - Direct Growth	333	0.73	-	-	-	-
Reliance Arbitrage Advantage Fund - Growth Plan	3,456,838	61.59	-	-	-	-
Reliance Quarterly Interval Fund - Series II - Direct Plan - Growth Option	4,212,513	101.11	-	-	-	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option	868	1.33	1,585	2.42	203	0.31
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option	3,544	15.02	135	0.21	19,733	30.17
Reliance Medium Term Fund - Daily Growth Plan - Growth Option	94,844	3.53	3,552,991	60.74	5,282,745	90.31
Reliance Quarterly Interval Fund- Series II- Direct Dividend Plan	-	-	-	-	4,990,617	50.59
Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan - Reinvest	-	-	10,137,784	104.27	-	-
L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan	-	-	9,984	10.11	-	-
Aditya Birla Sun Life Floating Rate Long Term Fund - Regular Plan -Daily Dividend Re-investment	-	-	1,276,621	128.71	1,205,732	121.23
ICICI Prudential Short Term Plan-Monthly Dividend Re-investment	-	-	-	-	428,776	5.21



	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Units	Amount	Units	Amount	Units	Amount
Birla Sun Life Saving Fund - Direct Plan -Daily Dividend Re-investment	-	-	-	-	514,936	51.65
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Dividend Re-investment	-	-	1,128,212	11.37	1,067,198	10.76
SBI Ultra Short Term Debt Fund- Direct Plan Daily Dividend	-	-	-	-	68,106	68.52
UTI Treasury Advantage Fund - Institutional plan - Direct Plan - Daily Dividend - Re-investment	-	-	7,123	7.14	58,693	58.83
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend - Re-investment	-	-	12,426	12.52	31,460	31.62
Kotak Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment	-	-	39,794	41.30	21,557	22.41
Kotak Low Duration Fund Standard - Regular Plan - Monthly Dividend	-	-	-	-	40,382	41.36
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	-	-	-	-	4,153,429	41.87
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment	-	-	-	-	1,066,405	10.75
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Regular Plan - Dividend Reinvestment - Daily - Reinvest	-	-	1,126,568	11.36	-	-
Kotak Bond (Short Term) - Direct Plan - Monthly Dividend - Reinvest	-	-	1,944,312	20.25	-	-
HDFC Banking and PSU Debt Fund - Regular Plan - Dividend Option - Reinvest	-	-	4,938,645	50.78	-	-
HDFC Banking and PSU Debt Fund - Direct Dividend Option - Reinvest	-	-	2,460,396	25.41	-	-
ICICI Prudential Short Term Plan - Direct - Monthly Dividend Re-investment	-	-	5,158,038	64.96	5,662,596	70.12
Aditya Birla Sun Life Floating Rate Long Term - Daily Dividend-Direct Plan - Reinvest	-	-	252,036	25.30	-	-
ICICI Prudential Short Term - Monthly Dividend - Reinvest	-	-	454,503	5.58	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend - Reinvest	-	-	10,869,542	109.85	-	-
Total current investments	22,306,729	671.96	43,370,695	692.28	24,612,568	705.71
Aggregate Carrying Value of unquoted investments		671.96		692.28		705.71

Note 8 Loans

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non- Current (Unsecured)			
a) Loans to related party			
Considered good	-	76.73	51.15
Considered doubtful	76.73	-	-
Less: Allowance for doubtful loans	(76.73)	-	-
	-	76.73	51.15
b) Loans to employees	12.97	14.29	16.29
Total	12.97	91.02	67.44
Current (unsecured, considered good)			
a) Loans to related party	-	-	13.56
b) Loans to employees	6.15	6.13	10.72
c) Loans to others	-	0.10	1.83
Total	6.15	6.23	26.11

Note 9 Other financial assets (Unsecured)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non- Current			
a) Security and other deposits			
Considered good	280.07	318.07	293.98
Considered doubtful	4.00	2.00	3.03
Less: Allowance for doubtful receivables	(4.00)	(2.00)	(3.03)
	280.07	318.07	293.98
b) Others			
- Reimbursement of expenses			
Considered good	-	-	0.98
Considered doubtful	26.46	21.30	6.33
	26.46	21.30	7.31
Less: Allowance for doubtful receivables	(26.46)	(21.30)	(6.33)
	-	-	0.98
- Fixed deposits held as securities against bank guarantees	0.65	0.62	2.18
Total	280.72	318.69	297.14
Current			
a) Security and other deposits			
Considered good	22.92	22.92	18.82
b) Other recoverables			
Considered good	0.10	0.16	0.18
c) Reimbursement of expenses			
Considered good	49.03	49.13	36.90
Total	72.05	72.21	55.90

Note 10 Other assets (Unsecured, considered good unless otherwise stated)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non- Current			
a) Capital Advances	31.84	16.34	39.22
b) Advances to suppliers and others			
Considered doubtful	6.12	3.57	1.57
Less: Allowance for doubtful receivables	(6.12)	(3.57)	(1.57)
	-	-	-
c) Others			
Prepaid expenses and others	1.34	1.20	1.33
Considered doubtful	10.75	-	-
Less: Allowance for doubtful receivables	(10.75)	-	-
	1.34	1.20	1.33
Deferred rent	107.03	101.75	135.92
Balances with government authorities	55.61	49.76	37.35
Advance income tax (net of provision: ₹ 240.11 million) (As at 31 March, 2017: ₹ 335.36 million; As at 1 April, 2016: ₹ 328.35 million)	63.63	52.28	64.15
Total	259.45	221.33	277.97



	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current			
a) Advances to suppliers and others	15.85	28.33	37.03
b) Others			
Prepaid expenses and others			
Considered good	68.66	33.11	30.50
Deferred Rent	31.48	36.18	42.11
Balances with government authorities	1.03	9.20	14.37
Advance income tax	-	16.98	-
Total	117.02	123.80	124.01

Note 11 Inventories

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Inventories (lower of cost and net realisable value)			
- Food and beverage items	65.49	66.03	65.77
- Others	4.43	4.51	4.70
- Stock in transit	0.53	0.82	0.59
Total	70.45	71.36	71.06

The mode of valuation of inventories has been stated in note 2(i).

Note 12 Trade Receivables

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured)			
Trade receivables			
Considered good	63.94	49.65	37.27
Doubtful	59.73	56.43	55.61
	123.67	106.08	92.88
Less: Allowance for doubtful debts	(59.73)	(56.43)	(55.61)
Total	63.94	49.65	37.27

12.1 Trade Receivables

The average credit period on sales of services is 30 days. No interest is charged on trade receivables. A formal credit policy has been framed and credit facilities are given to customers within framework of credit policy.

Note 13 Cash and Cash Equivalents and other bank balances

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with Banks			
- In current accounts	25.22	3.82	9.86
- In fixed deposits accounts	22.80	32.87	39.23
Cash on hand	4.17	2.05	3.63
Cash and cash equivalents	52.19	38.74	52.72
Bank balances other than above			
In earmarked accounts			
- Unpaid dividend accounts	0.13	0.13	0.13
Total	0.13	0.13	0.13

Note 14 Share capital

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Authorised Share Capital			
14.1 Equity share capital			
5,10,00,000 fully paid equity shares of ₹ 10 each	510.00	510.00	510.00
Preference share capital			
70,00,000 fully paid compulsorily convertible preference shares of ₹ 10 each	70.00	70.00	70.00
14.2 Issued, subscribed capital and fully paid up:			
4,69,57,657 fully paid equity shares of ₹ 10 each (Of the above shares 6,689,118 (Previous year - 6,689,118) equity shares are allotted as fully paid-up on conversion of compulsorily convertible preference shares)	469.58	469.58	469.58
Total	469.58	469.58	469.58

14.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Number of shares outstanding as at the beginning and at the end of the year	46,957,657	46,957,657	46,957,657

14.4 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

14.5 Shares reserved for issue under options (Refer note 33)	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Number of shares outstanding as at the end of the year	337,500	482,400	515,300

14.6 Details of shares held by each shareholder holding more than 5% shares in the company are set out below

	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Anjan Chatterjee	12,070,000	25.70%	12,070,000	25.70%
Suchhanda Chatterjee	11,970,000	25.49%	11,970,000	25.49%
Deepak Bhagnani	5,494,602	11.70%	1,734,118	3.69%
Saif III Mauritius Company Limited	-	-	3,031,348	6.46%
Saif Advisors Mauritius Limited	-	-	2,960,712	6.31%
Reliance Capital Trustee Co. Ltd	-	-	1,320,663	2.81%

	As at 1 April, 2016	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
Anjan Chatterjee	12,070,000	25.70%
Suchhanda Chatterjee	11,970,000	25.49%
Saif III Mauritius Company Limited	4,992,140	10.63%
Saif Advisors Mauritius Limited	3,877,964	8.26%
Reliance Capital Trustee Co. Ltd	2,527,663	5.38%



Note 15 Other equity

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital Reserve	1.67	1.67	1.67
Securities premium reserve	1,626.50	1,626.50	1,626.50
Share options outstanding account	12.93	11.39	8.48
Retained earnings	179.96	710.32	923.25
Total	1,821.06	2,349.88	2,559.90

15.1 Capital Reserve

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
Balance at end of year	1.67	1.67

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

15.2 Securities premium reserve

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
Balance at end of year	1,626.50	1,626.50

Securities premium reserve is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013.

15.3 Retained earnings

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	710.32	923.25
Loss as per Statement of profit and loss	(534.05)	(218.50)
Other comprehensive income for the year	3.69	5.57
Balance at end of year	179.96	710.32

15.4 ESOP outstanding account

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	11.39	8.48
Movement on account of ESOP's	1.54	2.91
Balance at end of year	12.93	11.39

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share based payments to employees is set out in note 33

Note 16 Borrowings

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current			
Secured - at amortised cost			
Long term maturities of finance lease obligations			
- Vehicle loans (Refer note 16.1)	-	0.26	1.25
Total non-current borrowings	-	0.26	1.25



16.1 Summary of borrowing arrangements

(i) Details of Security

Secured by the assets leased.

(ii) The loans is repayable in equated monthly instalments and interest rate is in the range of 9% - 13%

Note 17 Trade payables

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade payables	424.02	377.73	374.23
Total	424.02	377.73	374.23

17.1 Total outstanding dues of micro enterprises and small enterprises

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

₹ In Millions

	Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting 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 period of delay in making payments	-	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting 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	-	-	-
		-	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 18 Other financial liabilities

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-Current			
Rent payable	88.45	94.38	93.45
Total	88.45	94.38	93.45
Current			
a) Current maturities of finance lease obligations	0.26	0.99	1.71
b) Unpaid dividends	0.13	0.13	0.13
c) Other payables			
- Payables on purchase of property, plant and equipment	19.40	28.11	33.51
- Rent payable	0.17	0.79	-
- Security deposit received	13.10	3.10	-
Total	33.06	33.12	35.35



Note 19 Other current liabilities

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Revenue received in advance	2.58	1.63	0.92
b) Others			
- Statutory remittances	32.62	43.67	40.09
- Payable on account of gratuity (net)	19.80	11.99	7.49
- Others	14.95	15.19	10.16
Total	69.95	72.48	58.66

Note 20 Revenue from operations

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of services		
(a) Income from sale of food and beverages	2,908.53	3,068.90
(b) <u>Franchise Income</u>		
- Initial access premium	17.40	1.58
- Royalty and management fees	38.14	50.46
(c) <u>Other operating revenue</u>		
- Designing & consulting fees	0.38	0.46
- Income from display & sponsorship	2.63	1.87
- Sale of scrap	0.83	0.91
Total	2,967.91	3,124.18

Note 21 Other Income

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits (at amortised cost)	1.27	1.37
- Other financial assets carried at amortised cost	4.97	8.07
- 'Unwinding effect of security deposits	34.55	33.21
	40.79	42.65
(b) Dividend income		
Dividend on mutual funds	20.77	40.96
	20.77	40.96
(c). Other gains and losses		
Gain on disposal of property, plant and equipment	0.72	-
Gain/(loss) on sale of investments	5.54	0.56
Gain/(loss) on restatement of investments at FVTPL	10.94	1.71
	17.20	2.27
(d) Miscellaneous income		
Miscellaneous income	0.27	1.47
	0.27	1.47
(a + b + c + d)	79.03	87.35

Note 22 Cost of materials consumed

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Food & Beverages		
Opening stock	66.85	66.36
Add: Purchases	952.56	1,009.89
	1,019.41	1,076.25
Less: Closing stock	(66.02)	(66.85)
Total	953.39	1,009.40

Note 23 Employee Benefits expense

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and wages	642.40	707.58
Contribution to provident and other funds (Refer note 32)	44.60	53.26
Share based payments cost (measured at fair value) (Refer note 33)	1.54	2.91
Staff welfare expenses	76.07	79.62
Total	764.61	843.37

Note 24 Finance Costs

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest costs		
Interest on obligations under finance leases	0.07	0.18
Total	0.07	0.18

Note 25 Depreciation and amortisation expense

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation of property, plant and equipment (Refer note 5)	288.50	317.98
Amortisation of intangible assets (Refer note 5)	8.06	8.63
Total depreciation and amortisation expense	296.56	326.61

Note 26 Impairment losses on financial assets and reversal of impairment on financial assets

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Impairment loss allowance on trade receivables	-	0.83
Impairment loss allowance on other financial assets carried at amortised cost	7.96	16.32
Total	7.96	17.15



Note 27 Other expenses

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Rent (Refer note 35)	525.22	528.96
Power and fuel	190.75	188.19
Rates, taxes and licence Fee	90.74	124.88
Operating supplies	73.04	63.44
Insurance	3.62	3.66
Advertising and marketing expenses (net of recoveries)	45.52	54.06
Payment to Auditors (Refer note 27.1 below)	5.28	4.71
Repairs and maintenance - Machinery	25.80	27.35
Repairs and maintenance - Building	93.24	92.57
Repairs and maintenance - Others	31.63	37.94
Expenditure on corporate social responsibility (Refer note 43)	-	1.90
Miscellaneous expenses	149.54	139.95
Total	1,234.38	1,267.61

27.1 Payments to auditors

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
As auditor - statutory audit	3.75	3.75
For tax audit	0.40	0.40
For other services *	1.02	0.45
For reimbursement of expenses	0.11	0.11
Total	5.28	4.71

* includes ₹ 0.16 Million (previous year ₹ Nil) to an affiliated firm of the auditors

Note 28 Contingent liabilities (to the extent not provided for)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Claims against the Company not confirmed as debts			
a. Legal cases against the Company	166.16	166.16	167.18
b. Sales tax demands	80.10	58.32	44.68
c. Excise demands	-	6.25	6.25
d. Income tax demands	3.79	3.79	26.40
e. Service tax demands	78.75	78.75	78.75
Total	328.80	313.27	323.26

Note 29 Commitments

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36.40	58.17	48.08
b) Investment in Speciality Hospitality UK Limited (Subsidiary)	7.00	-	-
	43.40	58.17	48.08

Note 30 Earnings per share (EPS)

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(534.05)	(218.50)
Weighted Average Number of Equity Shares for Basic Earnings per share	46,957,657	46,957,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	46,957,657	46,957,657
Basic Earnings Per Share (in ₹)	(11.37)	(4.65)
Diluted Earnings Per Share (in ₹)	(11.37)	(4.65)
Nominal value per share (in ₹)	10	10

Note 31 Obligations under finance leases**31.1 Leasing arrangements**

The Company has taken on lease land and vehicles. At the end of the lease period the vehicles will be transferred in the name of the Company. Vehicles are taken on lease for periods ranging from 3 to 5 years.

Interest rate underlying the obligations under finance leases of vehicles, are fixed at respective contract dates, is 9.21% per annum (as at 31 March, 2017: 9.21% per annum; as at 1 April, 2016: 9% to 13% per annum).

31.2 Finance lease liabilities

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

₹ In Millions

	Minimum lease payments			Present value of minimum lease payments		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Not later than one year	0.27	1.06	1.89	0.26	0.99	1.71
Later than one year and not later than five years	-	0.27	1.33	-	0.26	1.25
Later than five years	-	-	-	-	-	-
	0.27	1.33	3.22	0.26	1.25	2.96
Less: future finance charges	(0.01)	(0.08)	(0.26)	-	-	-
Present value of minimum lease payments	0.26	1.25	2.96	0.26	1.25	2.96

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Included in the financial statements as:			
- Current maturities of finance lease obligations (note 18)	0.26	0.99	1.71
- Non-current borrowings (note 16)	-	0.26	1.25

Note 32 Employee benefit plans**32.1 Defined contribution plans**

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 32.46 million (Previous Year ended 31 March, 2017 ₹ 38.85 million) for Provident Fund contributions in the Statement of profit & loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

32.2 Defined benefit plans:

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death, disability or voluntary withdrawal. Under the scheme, the employees are entitled to a lump sum amount aggregating to 15 days final basic salary for each year of completed service payable at the time of retirement/resignation, provided the employee has completed 5 years of continuous service. The defined benefit plan is administered by a third-party insurer. The third-party insurer is responsible for the investment policy with regards to the assets of the plan.



32.3 The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk:	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net benefit obligation will increase the value of the liability.
Interest rate risk:	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability
Salary Inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

32.4 The disclosure as required under Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ In Millions

	Valuation as at		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate(s)	7.60%	7.05%	7.75%
Expected rate(s) of salary increase	4.50%	4.50%	6.00%

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(b) Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows.

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Current service cost	10.61	14.13	13.49
Past service cost	1.11	-	-
Interest on net defined benefit liability/ (asset)	0.42	0.29	0.82
Components of defined benefit costs recognised in profit or loss	12.14	14.42	14.31
Remeasurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net interest expense)	1.02	0.91	0.18
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	(1.50)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.26)	(3.80)	1.09
Actuarial (gains) / losses arising from experience adjustments	(2.45)	(3.93)	(8.09)
Components of defined benefit costs recognised in other comprehensive income	(3.69)	(8.32)	(6.82)
Total	8.45	6.10	7.49

The current service cost / past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(c) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Present value of funded defined benefit obligation	52.25	55.08	59.28
Fair value of plan assets	32.45	43.09	51.79
Net liability arising from defined benefit obligation	19.80	11.99	7.49

(d) **Movements in the present value of the defined benefit obligation are as follows.**

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Opening defined benefit obligation	55.08	59.28	54.25
Current service cost	10.61	14.13	13.49
Past service cost	1.11	-	-
Interest cost	3.53	4.32	4.07
Remeasurement (gains)/losses:			
Actuarial gains and losses arising from changes in demographic assumptions	-	(1.50)	-
Actuarial gains and losses arising from changes in financial assumptions	(2.26)	(3.80)	1.09
Actuarial gains and losses arising from experience adjustments	(2.45)	(3.93)	(8.09)
Benefits paid	(13.36)	(13.40)	(5.53)
Closing defined benefit obligation	52.25	55.08	59.28

(e) **Movements in the fair value of the plan assets are as follows.**

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Opening fair value of plan assets	43.09	51.79	33.62
Interest income	3.10	4.03	3.25
Remeasurement gain/(loss):			
Return on plan assets (excluding amounts included in net interest expense)	(1.03)	(0.92)	(0.18)
Contributions from the employer	0.65	1.59	20.63
Benefits paid	(13.36)	(13.40)	(5.53)
Closing fair value of plan assets	32.45	43.09	51.79

(f) **Breakup of Plan Assets as a percentage of total Plan Assets**

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Insurer Managed Funds	100%	100%	100%

The Company expects to make a contribution of ₹ 19.80 Million (as at 31 March, 2017: ₹ 11.99 Million; as at 1 April, 2016: ₹ 7.49 Million) to the defined benefit plans during the next financial year.

(g) The weighted average duration of the defined benefit obligation as at 31 March 2018 is 7.52 years (2017: 7.98 years, 2016: 9.36 years)

(h) **Sensitivity Analysis**

Method used for sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to the discount rate and the future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Discount Rate

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Discount Rate			
Impact of increase in 50 bps on discount rate	(3.63%)	(3.84%)	(4.49%)
Impact of decrease in 50 bps on discount rate	3.91%	4.15%	4.89%



Salary escalation rate

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Salary escalation rate			
Impact of increase in 50 bps on salary escalation rate	4.01%	4.20%	4.91%
Impact of decrease in 50 bps on salary escalation rate	(3.75%)	(3.91%)	(4.54%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 32.4 (a) above.

Note 33 Employee Stock Option Scheme (ESOS)

33.1 During the FY 2013-14, the Board Governance & Remuneration committee in its meeting held on 6 September, 2013 granted 577,200 stock options under the Speciality Restaurants Limited - Employee Stock Option Scheme 2012 (ESOP 2012 Scheme) to the few eligible employees of the Company. The options allotted under the ESOP 2012 scheme are convertible into equal number of equity shares of the face value of ₹ 10 each.

Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹ 10 each upon payment of the exercise price during the exercise period. The option would vest in 4 annual instalments after one year of the grant. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the ESOP 2012 Scheme.

The vesting period for conversion of Options is as follows:

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

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the awards during the year ended 31 March 2018, 31 March 2017 and 1 April 2016. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
Options granted under ESOS 2012						
Options outstanding at the beginning of the year	482,400	126.20	515,300	126.20	515,300	126.20
Options granted during the year	-	-	-	-	-	-
Options forfeited during the year	77,000	126.20	-	-	-	-
Options exercised during the year	-	-	-	-	-	-
Options expired during the year	67,900	126.20	32,900	126.20	-	-
Options outstanding at the end of the year	337,500	126.20	482,400	126.20	515,300	126.20
Options exercisable at the end of the year		337,500		361,800		257,650
Exercise price of outstanding options as per ESOS scheme (₹)		126.20		126.20		126.20
Remaining contractual life of outstanding options (years)		1.44 years		1.94 years		2.94 years

33.2 Fair value of share options granted in the year

There are no new grants during the financial year 2017-18

Note 34 Financial Instruments

34.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Company does not have any significant borrowing.

The Company is not subject to any externally imposed capital requirements.

34.2 Categories of financial instruments

₹ In Millions

	As at		
	31 March, 2018	31 March, 2017	1 April, 2016
Financial assets			
Measured at amortised cost			
(a) Cash and cash equivalents	52.19	38.74	52.72
(b) Bank balance other than covered in (a) above	0.13	0.13	0.13
(c) Trade Receivables	63.94	49.65	37.27
(d) Loans	19.12	97.25	93.55
(e) Other financial assets	352.78	390.90	353.04
Measured at FVTPL			
(a) Investment in mutual funds	671.96	692.28	705.71
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	-	0.26	1.25
(b) Trade Payables	424.02	377.73	374.23
(c) Other financial liabilities	121.51	127.50	128.80

34.3 Financial risk management objectives

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, current investments and cash and short-term deposits that are derived directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk). The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimize potential adverse effects of such risks on the company's operational and financial performance.

34.3.1 Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables (mainly franchisees), deposits with landlords for restaurant properties taken on lease and other receivables.

Trade and other receivables: The Company's business is predominantly through cash and credit card collections. The credit risk on credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of franchisees and the credit risk exposure for them is managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for restaurant properties taken on leases, for which agreements are signed and property possessions timely taken for restaurant operations. The risk relating to refunds after vacating or restaurant shut down is managed through successful negotiations or appropriate legal actions, where necessary.

34.3.2 Liquidity risk management

The Company's principal sources of liquidity are cash and cash equivalents, cash flow generated from operations and by churning of current investments. The Company does not have any significant borrowing. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
31 March, 2018					
Trade Payables	424.02	-	-	-	424.02
Borrowings	0.26	-	-	-	0.26
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	19.40	-	-	-	19.40
Rent payable	0.17	21.60	31.49	35.36	88.62
Security deposit received	13.10	-	-	-	13.10
	457.08	21.60	31.49	35.36	545.53
31 March, 2017					
Trade Payables	377.73	-	-	-	377.73
Borrowings	0.99	0.26	-	-	1.25
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	28.11	-	-	-	28.11
Rent payable	-	18.49	29.37	47.30	95.17
Security deposit received	3.10	-	-	-	3.10
	410.06	18.75	29.37	47.30	505.49
1 April, 2016					
Trade Payables	374.23	-	-	-	374.23
Borrowings	1.71	1.25	-	-	2.96
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	33.51	-	-	-	33.51
Rent payable	-	2.34	28.66	62.45	93.45
	409.58	3.59	28.66	62.45	504.28

34.3.3 Market Risk

The Company is exposed to market risks associated with foreign currency rates and commodity prices.

Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The exchange gains or losses are recognised in profit or loss on the date of settlement and restatement at quarter intervals.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency
Amounts receivable in foreign currency on account of the following:						
Royalty and Management fees receivable	12.21	USD 176,949	12.20	USD 176,949	11.72	USD 167,646
Reimbursement of Expenses	2.09	USD 34,181	2.05	USD 33,891	2.00	USD 33,319
Amounts payable in foreign currency on account of the following:						
Professional fees	1.95	USD 29,934	1.65	USD 25,484	1.80	USD 27,094
Professional fees	-	-	0.13	CND 2,725	-	-
Professional fees	-	-	0.26	POUND 3,223	0.31	POUND 3,223
Professional fees	-	-	0.13	YEN 222,400	0.13	YEN 222,400
Professional fees	-	-	0.04	SGD 817	0.04	SGD 817
Professional fees	-	-	0.22	AD 4,357	0.22	AD 4,357
	1.95		2.43		2.50	

The Company's exchange risk arises from its foreign currency revenues and expenses, (primarily in U.S. Dollars).

As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees will decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies, the Company is not significantly exposed to foreign currency risk.

Commodity Price Risk:

The Company purchases certain products, including meat, cheese, vegetables and other commodities which are subject to price volatility that is caused by weather, market conditions and other factors that are not considered predictable or within the Company's control. The Company's supplies and raw materials are available from several sources, and not dependent upon any single source for these items. If any existing suppliers fail or are unable to deliver in quantities required by the Company, the Company believes that there are sufficient other quality suppliers in the marketplace such that the Company sources of supply can be replaced as necessary. In most cases, the Company historically has been able to pass a substantial portion of the increased commodity costs to the Company's customers through periodic menu price adjustments.

34.4 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

34.4.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ In Millions

Sr No.	Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
		31 March, 2018	31 March, 2017	1 April, 2016		
1	Investments in Mutual funds	671.96	692.28	705.71	Level 1	The mutual fund investments are valued at closing NAV provided in the independent third party custodian statements.

34.4.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors are of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Note 35 Operating lease arrangements

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

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Payable not later than one year	79.90	76.81	107.28
Payable later than one year but not later than five years	111.49	39.51	93.22
Payable later than five years	-	-	-
	191.39	116.32	200.50

35.2 Lease payments recognised in the statement of profit or loss are as under:

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017
Fixed lease rentals	427.40	421.74
Contingent lease rentals	64.15	63.39
	491.55	485.13



35.3 Leasing arrangements

Premises are taken on Lease for periods ranging from 1 to 50 years with a non- cancellable period at the beginning of the agreement ranging from 1 to 5 years

For certain restaurant outlets, rent is payable in accordance with the leasing agreement at the higher of:

- i) Fixed minimum guarantee amount and;
- ii) Revenue share percentage

Note 36 Segment information

The principal business of the Company is operating food outlets/ sweet shops. All other activities of the Company revolve around its main business. The Chairman & Managing Director (MD) of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments.

Note 37 Related Party Disclosures:

List of Related parties and their relationships

Sr. No	Category of related parties	Names
1	Promoters	Anjan Chatterjee Suchhanda Chatterjee
2	Key management personnel	<u>Executive Directors</u> Anjan Chatterjee Suchhanda Chatterjee Indroneil Chatterjee <u>Non Executive Directors</u> Mr. Rakesh Pandey (Appointed w.e.f. November 29, 2017) Mr. Ullal Ravindra Bhat (Appointed w.e.f. April 28, 2017) Mr. Dushyant Mehta Mr. Susim Mukul Datta (resigned w.e.f. August 31, 2017) Mr. Jyotin Mehta (resigned w.e.f. February 8, 2017)
3	Relative of Promoters	Avik Chatterjee
4	Enterprises over which directors or relative of promoters exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P) Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Joint Venture Company	Mainland China Restaurant & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
6	Wholly owned subsidiary	Speciality Hospitality UK Limited (incorporated on August 22, 2017)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Joint Venture Company	Wholly owned subsidiary	Total
Transactions during the year ended 31 March 2018						
Interest Income						
Mainland China Restaurant (LLC)	-	-	-	-	-	-
	-	-	-	(5.97)	-	(5.97)
Total	-	-	-	-	-	-
	-	-	-	(5.97)	-	(5.97)
Franchisee Income						
Mainland China Restaurant (LLC)	-	-	-	0.34	-	0.34
	-	-	-	(2.96)	-	(2.96)
Total	-	-	-	0.34	-	0.34
	-	-	-	(2.96)	-	(2.96)
Remuneration (Refer note 4 below)						
Mr. Anjan Chatterjee	6.00	-	-	-	-	6.00
	(6.00)	-	-	-	-	(6.00)
Mrs. Suchhanda Chatterjee	2.10	-	-	-	-	2.10
	(2.10)	-	-	-	-	(2.10)
Mr. Indroneil Chatterjee	2.10	-	-	-	-	2.10
	(2.10)	-	-	-	-	(2.10)
Mr. Avik Chatterjee	-	0.85	-	-	-	0.85
	-	(0.60)	-	-	-	(0.60)
Total	10.20	0.85	-	-	-	11.05
	(10.20)	(0.60)	-	-	-	(10.80)
Sitting Fees paid to Non Executive Directors						
Mr. Rakesh Pandey	0.13	-	-	-	-	0.13
	-	-	-	-	-	-
Mr. Ullal Ravindra Bhat	0.24	-	-	-	-	0.24
	-	-	-	-	-	-
Mr. Dushyant Mehta	0.27	-	-	-	-	0.27
	(0.15)	-	-	-	-	(0.15)
Mr. Susim Mukul Datta	0.05	-	-	-	-	0.05
	(0.13)	-	-	-	-	(0.13)
Mr. Jyotin Mehta	-	-	-	-	-	-
	(0.11)	-	-	-	-	(0.11)
Total	0.69	-	-	-	-	0.69
	(0.39)	-	-	-	-	(0.39)
Rent and other expenses paid (Refer note 3 below)						
Situations Advertising & Marketing Services Private Limited						
- Rent	-	-	31.20	-	-	31.20
	-	-	(35.28)	-	-	(35.28)
- Retainership Fees	-	-	1.20	-	-	1.20
	-	-	(1.20)	-	-	(1.20)
- Advertisement Expenses	-	-	8.66	-	-	8.66
	-	-	(5.62)	-	-	(5.62)
- Reimbursement of Expenses	-	-	8.16	-	-	8.16
	-	-	(5.76)	-	-	(5.76)
Prosperous Promoters Private Limited	-	-	6.00	-	-	6.00
- Rent	-	-	(6.00)	-	-	(6.00)
Others	3.11	-	5.26	-	-	8.37
	(3.09)	-	(8.54)	-	-	(11.63)
Total	3.11	-	60.48	-	-	63.59
	(3.09)	-	(62.40)	-	-	(65.50)



Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Joint Venture Company	Wholly owned subsidiary	Total
Provision for Impairment of receivables and investments						
Mainland China Restaurant (LLC)	-	-	-	101.42	-	101.42
	-	-	-	-	-	-
Total	-	-	-	101.42	-	101.42
	-	-	-	-	-	-
Loan given to Joint Venture Company						
Mainland China Restaurant (LLC)	-	-	-	-	-	-
	-	-	-	(14.79)	-	(14.79)
Total	-	-	-	-	-	-
	-	-	-	(14.79)	-	(14.79)
Balance as at 31 March 2018						
Other payables						
Situations Advertising & Marketing Services Private Limited	-		14.58	-	-	14.58
	-		(7.83)	-	-	(7.83)
Prosperous Promoters Private Limited	-		1.55	-	-	1.55
	-		(1.55)	-	-	(1.55)
Others	2.20		2.66	-	-	4.86
	(2.17)		(2.56)	-	-	(4.73)
Total	2.20	-	18.79	-	-	20.99
	(2.17)	-	(11.94)	-	-	(14.11)
Security deposits						
Situations Advertising & Marketing Services Private Limited	-		50.00	-	-	50.00
	-		(50.00)	-	-	(50.00)
Prosperous Promoters Private Limited	-		28.11	-	-	28.11
	-		(28.11)	-	-	(28.11)
Others	3.00		9.10	-	-	12.10
	(3.00)		(9.10)	-	-	(12.10)
Total	3.00	-	87.21	-	-	90.21
	(3.00)	-	(87.21)	-	-	(90.21)
Franchisee Income Receivable (Refer note 1 below)						
Mainland China Restaurant (LLC)	-		-	3.30	-	3.30
	-		-	(2.96)	-	(2.96)
Total	-		-	3.30	-	3.30
	-		-	(2.96)	-	(2.96)
Advance to Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant (LLC)	-		-	12.50	-	12.50
	-		-	(12.78)	-	(12.78)
Total	-		-	12.50	-	12.50
	-		-	(12.78)	-	(12.78)
Loan given to Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant (LLC)	-		-	76.73	-	76.73
	-		-	(76.73)	-	(76.73)
Total	-		-	76.73	-	76.73
	-		-	(76.73)	-	(76.73)
Investment in Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant (LLC)	-		-	8.88	-	8.88
	-		-	(8.88)	-	(8.88)
Total	-		-	8.88	-	8.88
	-		-	(8.88)	-	(8.88)

Notes

- 1 These balances have been fully provided and have been disclosed as an exceptional item (refer note 42)
- 2 Figures in parenthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March, 2017 in relation to the Balance Sheet
- 3 Rent and other expenses are shown as net of indirect taxes
- 4 Post retirement benefits is determined by the Company as a whole for all employees put together and hence disclosures of post employment benefits of Key management personnel is not separately available.

Note 38 First time adoption of Ind AS

a) Reconciliation of total equity

₹ In Millions

Particulars	Note	As at March 31, 2017	As at April 1, 2016 (date of transition)
Equity as reported under previous GAAP		2,851.79	3,078.84
Ind AS: Adjustments increase/(decrease):			
Lease rent equalisation adjustment	b	(42.16)	(66.24)
Unwinding effect of security deposits	a	(8.90)	-
Other adjustments		2.76	(7.49)
Tax impact on IND AS adjustments		15.97	24.37
Equity as reported under Ind AS		2,819.46	3,029.48

b) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Note	For the year ended March 31, 2017
Loss as per previous GAAP		(227.05)
Ind AS: Adjustments increase/(decrease):		
Unwinding effect of security deposits	a	(8.90)
Share based payments measured at fair value	c	(2.91)
Reclassification to other comprehensive income arising from remeasurement of defined benefit obligation	d	(8.32)
Lease rent equalisation adjustment	b	24.08
Other adjustments		10.25
Tax impact on IND AS adjustments		(5.65)
Total adjustment to profit and loss		8.55
Loss as per Ind AS		(218.50)
Other comprehensive income (net of tax)	d	5.57
Total comprehensive income under Ind AS		(212.93)

- c) There is no impact of Ind AS adoption on cash flows operating, investing and financial activities.

First time adoption of Ind AS (contd..)

Notes to the reconciliation

- a) Under the previous GAAP, interest free lease deposits were recorded at their transaction value. On transition to Ind AS, these lease deposits are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss, as applicable.
- b) Under the previous GAAP, in respect of certain leased properties, operating lease rentals were accounted on the basis of the ratio of forecasted sales over the balance lease period. On transition to Ind AS, the operating lease rents have been recognised as an expense on a straight-line basis over the lease term. The effect of these is reflected in total equity and / or profit or loss, as applicable.
- c) Under the previous GAAP, equity settled employee share-based payments were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The effect of these is reflected in total equity and/ or profit or loss as applicable.
- d) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the return on plan asset and actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.



Note 39
(a) Income tax expense recognised in the Statement of profit & loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Tax:		
In respect of current year	-	2.41
In respect of prior years	-	4.16
Deferred tax	222.61	(38.11)
Total	222.61	(31.54)

Unused tax losses

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:			
Unabsorbed depreciation	108.83	108.83	-
Long term capital loss	32.00	32.00	-
Total	140.83	140.83	-

Note: The accumulated long term capital loss would get expired during the year 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

(b) Deferred tax

- (i) Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence.
- (ii) Deferred tax assets/(liabilities) in relation to:

	As at 1 April 2016	Recognised in Total Comprehensive Income	As at 31 March 2017	Recognised in Total Comprehensive Income	As at 31 March 2018
Property, plant and equipment & Intangible assets	121.96	39.63	161.59	(161.59)	-
Provision for doubtful debts/advances	23.03	4.50	27.53	(27.53)	-
Provision for expenses	15.14	2.39	17.53	(17.53)	-
Investment in joint venture	(0.41)	0.70	0.29	(0.29)	-
FVTPL financial assets	(0.64)	(0.57)	(1.21)	1.21	-
Lease rent equalisation	21.90	(5.21)	16.69	(16.69)	-
Lease deposits	-	2.94	2.94	(2.94)	-
Others	3.52	(3.52)	-	-	-
Defined benefit obligation	-	(2.75)	(2.75)	2.75	-
Deferred tax assets/(liabilities) (net)	184.50	38.11	222.61	(222.61)	-

Note 40 The utilisation of IPO proceeds is summarised below:
₹ In Lakhs

	Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012	Spent upto March 31, 2015	Balance to be spent	Variation in plan approved	Amount to spend post variation	Amount utilised upto March 31, 2018	Balance amount to be utilised
A	B	C	D	E	F	G	H
(i) Development of new restaurants	13,160	8,941	4,219	(4,219)	-	-	-
(ii) Development of new restaurants/ conversion of existing restaurants (Refer Note below)	-	-	-	5,785	5,785	3,554	2,231
(iii) Development of a food plaza	1,510	-	1,510	(1,510)	-	-	-
(iv) Repayment of term loan facilities	942	942	-	-	-	-	-
(v) General corporate purpose	105	105	-	-	-	-	-
(vi) Issue related expenses	1,892	1,836	56	(56)	-	-	-
Total	17,609	11,824	5,785	-	5,785	3,554	2,231



Note:

The amount shown in column (G) (ii) represents utilised amount after March 31, 2015 related to the objects disclosed in the prospectus dated May 22, 2012. ₹ 661 Lakhs was spent from April 1, 2015 upto the date of approval by the shareholders on November 27, 2015, which is included in total spend of ₹ 3,554 Lakhs.

Note 41 Interest in Joint Venture

The Company's interests, as a venturer, in the joint venture company are as follows:

Name	Principal activities	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the company		
			31 March 2018	31 March 2017	01 April 2016
Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	Restaurant business	Doha, Qatar	49%	49%	49%

Note 42 Exceptional Item

The exceptional item related to a provision of financial assets on account of restructuring pertaining to the joint venture company in Doha, Qatar. During the year, the Company along with the joint venture partner had entered into a Memorandum of Understanding (MOU) to sell specific portions of their shareholding in the joint venture entity to include local expertise with a change in the format of the restaurant outlet to enable operations & profitability of the joint venture entity to improve. However, owing to delay in complying with the terms and conditions of the MOU by the Company, the said MOU was cancelled by the potential buyers. Consequently, the change in format of the restaurant outlet was abandoned and the joint venture company did not resume operations. Accordingly, the Company recognised an impairment loss of ₹ 101.41 million for diminution in value of company's investment in equity shares and receivables from the joint venture company.

Note 43

- (a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ Nil (Previous year: ₹ 1.9 Million)
- (b) Gross amount required to be spent during the period: ₹ Nil (Previous year: ₹ 2.19 Million).

Note 44 Disclosure of Holdings as well as dealings in Specified Bank Notes:

Pursuant to the notification dated 30th March, 2017 issued by the Ministry of Corporate Affairs (MCA), the Company has to disclose the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Also pursuant to another notification issued by MCA on the same date amending the Schedule III of the Companies Act, 2013 requiring the company to disclose the details of Specified Bank Notes held and transacted during the period from 8 November, 2016 to 30 December, 2016. The details are as given below:

₹ In Millions

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	4.40	0.29	4.69
(+) Permitted receipts	-	66.93	66.93
(-) Permitted payments	-	10.32	10.32
(-) Amount deposited in Banks	4.40	52.33	56.73
Closing cash in hand as on December 30, 2016	-	4.57	4.57

This disclosure pertains to the year ended 31 March 2017. A similar disclosure for the year ended 31 March 2018 is not required.

Note 45 Approval of financial statements

The financial statements were approved for issue by the board of directors on 26 May 2018.



**CONSOLIDATED
FINANCIAL STATEMENTS
2017-18**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Speciality Restaurants Limited (hereinafter referred to as "the Company"), which includes the Company's share of loss in its joint venture company, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Company including its joint venture company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Company and the joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and the joint venture company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by another auditor in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of another auditor on separate financial statements of the joint venture company referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its joint venture company as at 31st March, 2018, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The consolidated Ind AS financial statements include the Company's share of net loss of ₹ 19.22 million for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of 1 joint venture company, whose financial statements have not been audited by us. These financial statements have been audited by another auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture company is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

The comparative financial statements for the year ended 31st March 2017 which includes its share of loss in 1 joint venture company and the

related transition date opening balance sheet as at 1st April 2016 prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by another auditor, whose report has been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of the joint venture company made in these consolidated Ind AS financial statements, is based solely on the report of the other auditor.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its joint venture company.
 - ii. The Company and its joint venture company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: 26 May, 2018



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Speciality Restaurants Limited (“the Company”), which includes the company’s share of loss in its joint venture company set up outside India, as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Company, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

(Membership No. 102042)

Place: Mumbai

Date: 26 May, 2018



Consolidated Balance Sheet as at 31 March, 2018

₹ In Millions

PARTICULARS	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
ASSETS				
Non-current assets				
a. Property, Plant and Equipment	5	996.27	1,135.66	1,321.21
b. Capital work-in-progress		288.39	327.01	348.27
c. Intangible assets	5	14.24	17.66	24.59
d. Financial assets				
i. Investments				
(a). Investment in joint venture	6	-	-	-
(b). Other investments	7	0.19	0.17	0.17
ii. Loans	8	12.97	22.06	35.21
iii. Other financial assets	9	280.72	318.69	297.14
e. Deferred tax assets (net)	39(b)	-	222.61	184.50
f. Other non-current assets	10	259.45	221.33	277.97
Total non-current assets		1,852.23	2,265.19	2,489.06
Current assets				
a. Inventories	11	70.45	71.36	71.06
b. Financial assets				
i. Other investments	7	671.96	692.28	705.71
ii. Trade receivables	12	63.94	49.65	37.27
iii. Cash and cash equivalents	13	52.19	38.74	52.72
iv. Bank balances other than (iii) above	13	0.13	0.13	0.13
v. Loans	8	6.15	6.23	26.11
vi. Other financial assets	9	72.05	72.21	55.90
c. Other current assets	10	117.02	123.80	124.01
Total current assets		1,053.89	1,054.40	1,072.91
Total assets		2,906.12	3,319.59	3,561.97
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	14	469.58	469.58	469.58
b. Other equity	15	1,809.61	2,272.04	2,518.79
Total Equity		2,279.19	2,741.62	2,988.37
LIABILITIES				
Non-current liabilities				
a. Financial Liabilities				
i. Borrowings	16	-	0.26	1.25
i. Other financial liabilities	18	88.45	94.38	93.45
Total non-current liabilities		88.45	94.64	94.70
Current liabilities				
a. Financial Liabilities				
i. Trade payables	17	424.02	377.73	374.23
ii. Other financial liabilities	18	33.06	33.12	35.35
b. Provisions		-	-	10.66
c. Other current liabilities	19	81.40	72.48	58.66
Total current liabilities		538.48	483.33	478.90
Total liabilities		626.93	577.97	573.60
Total Equity and Liabilities		2,906.12	3,319.59	3,561.97
Significant accounting policies	2			

The accompanying Notes 1 to 45 are an integral part of the consolidated financial statements

In terms of our report attached.
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
DIN : 00200443

Rajesh Kumar Mohta
Executive Director - Finance
& Chief Financial Officer

Avinash Kinhikar
Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425
Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018



Consolidated Statement of Profit and Loss for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I Revenue from operations	20	2,967.91	3,124.18
II Other Income	21	79.03	87.35
III Total Income (I + II)		3,046.94	3,211.53
IV Expenses			
Cost of materials consumed	22	953.39	1,009.40
Employee benefits expense	23	764.61	843.37
Finance costs	24	0.07	0.18
Depreciation and amortisation expense	25	296.56	326.61
Impairment loss on financial assets	26	7.96	17.15
Other Expenses	27	1,234.38	1,267.61
Total Expenses (IV)		3,256.97	3,464.32
V Loss before share of loss in Joint venture, exceptional item and tax (III - IV)		(210.03)	(252.79)
VI Share of loss in Joint venture company		(19.22)	(36.73)
VII Loss before exceptional item and tax (V - VI)		(229.25)	(289.52)
VIII Exceptional item (Refer note 41)		15.80	-
IX Loss before tax (VII - VIII)		(245.05)	(289.52)
X Tax expense			
(1) Current tax		-	2.41
(2) Deferred tax		222.61	(40.86)
(3) Short provision for tax relating to prior years		-	4.16
		222.61	(34.29)
XI Loss for the year (IX - X)		(467.66)	(255.23)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plan		3.69	8.32
A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	(2.75)
XII Total other comprehensive income [A (i-ii)]		3.69	5.57
XIII Total comprehensive income for the period (XI + XII)		(463.97)	(249.66)
Earnings per equity share	30		
(1). Basic (in ₹)		(9.96)	(5.44)
(2). Diluted (in ₹)		(9.96)	(5.44)
Significant accounting policies	2		
The accompanying Notes 1 to 45 are an integral part of the consolidated financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
DIN : 00200443

Rajesh Kumar Mohta
Executive Director - Finance
& Chief Financial Officer

Avinash Kinhikar
Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425

Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018



Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ In Millions

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 1, 2016	14	469.58	-	469.58
As at March 31, 2017		469.58	-	469.58
As at March 31, 2018		469.58	-	469.58

B. OTHER EQUITY

₹ In Millions

Particulars	Notes	Capital Reserve	Securities Premium Account	Retained earnings	Share options outstanding account	Total
As at April 1, 2016	15	1.67	1,626.50	882.14	8.48	2,518.79
Loss for the year		-	-	(255.23)		(255.23)
Movement on account of ESOP's		-	-	-	2.91	2.91
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	5.57	-	5.57
Total comprehensive income/(loss) for the year		-	-	(249.66)	-	(249.66)
As at March 31, 2017		1.67	1,626.50	632.48	11.39	2,272.04
Loss for the year		-	-	(467.66)		(467.66)
Movement on account of ESOP's					1.54	1.54
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax		-	-	3.69	-	3.69
Total comprehensive income/(loss) for the year		-	-	(463.97)		(463.97)
As at March 31, 2018		1.67	1,626.50	168.51	12.93	1,809.61
Significant accounting policies	2					

The accompanying Notes 1 to 45 are an integral part of the consolidated financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Rakesh N. Sharma

Partner

For and on behalf of the Board of Directors

Anjan Chatterjee

Chairman and Managing Director

DIN : 00200443

Rajesh Kumar Mohta

Executive Director - Finance

& Chief Financial Officer

Avinash Kinhikar

Company Secretary & Legal Head

Ullal Ravindra Bhat

Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977

Place: Mumbai

Date: 26 May, 2018

Place: Mumbai

Date: 26 May, 2018



Consolidated Cash Flow Statement for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Cash flow from Operating Activities			
Loss before tax		(225.83)	(252.79)
Adjustments for:			
Depreciation and amortisation expense		296.56	326.61
Loss / (Profit) on sale of Property, plant and equipment (net)		(0.72)	4.63
Profit on sale of investments (net)		(5.54)	(0.56)
Gain on fair value of investments		(10.94)	(1.71)
Finance costs		0.07	0.18
Interest from banks/others		(3.09)	(9.43)
Interest on income tax refund		(3.14)	-
Dividend on current investments		(20.77)	(40.96)
Unwinding effect of security deposits		5.67	8.90
Share based payments measured at fair value		1.54	2.91
Lease rent equalisation adjustment		(6.56)	1.72
Provision for doubtful debts & advances		23.75	17.15
Foreign exchange loss/gain (net)		0.28	2.92
Operating Profit before working capital changes		51.28	59.57
Adjustments for (increase)/decrease in operating assets:			
Inventories		0.91	(0.30)
Trade receivables		(17.40)	(13.35)
Other current financial assets		0.16	(16.31)
Other non-current financial assets		30.81	(37.05)
Other current assets		(15.87)	14.28
Other non-current assets		(24.57)	19.89
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		45.96	3.50
Other current liabilities		1.15	22.14
Short-term provisions		-	(10.66)
Other current financial liabilities		10.00	3.10
Cash generated from operations		82.43	44.81
Net income tax refund/(paid)		5.62	(11.67)
A. Net cash generated from Operating Activities (A)		88.05	33.14
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(150.41)	(150.57)
Proceeds from sale of property, plant and equipment		11.81	50.53
Purchase of current investments		(1,124.81)	(884.45)
Proceeds from sale of current investments		1,161.60	899.77
Current loans		0.85	20.81
Non-Current loans		1.32	(26.18)
Interest received		5.36	2.34
Dividend received		20.77	40.96
Bank deposits placed		(0.03)	1.56
B. Net cash used in Investing Activities (B)		(73.54)	(45.23)



Consolidated Cash Flow Statement for the year ended 31 March, 2018

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2018	For the year ended 31 March, 2017
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		(0.99)	(1.71)
Finance costs		(0.07)	(0.18)
C. Net cash used in Financing Activities (C)		(1.06)	(1.89)
Net decrease in cash and cash equivalents (A+B+C) = (D)		13.45	(13.98)
Cash and cash equivalents at the beginning of the year (E)		38.74	52.72
Cash and cash equivalents at the end of the year (D) +(E)		52.19	38.74
Significant accounting policies	2		
The accompanying Notes 1 to 45 are an integral part of the consolidated financial statements			

1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
Borrowings			Fair value changes	
	1.25	(0.99)	-	0.26
	As at April 1, 2016	Cash Flows	Non-cash changes	As at March 31, 2017
			Fair value changes	
	2.96	(1.71)	-	1.25

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Rakesh N. Sharma
Partner

For and on behalf of the Board of Directors

Anjan Chatterjee
Chairman and Managing Director
DIN : 00200443

Rajesh Kumar Mohta
Executive Director - Finance
& Chief Financial Officer

Avinash Kinhikar
Company Secretary & Legal Head

Ullal Ravindra Bhat
Director
DIN : 00008425

Dushyant Mehta
Director
DIN : 00126977

Place: Mumbai
Date: 26 May, 2018

Place: Mumbai
Date: 26 May, 2018



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 COMPANY BACKGROUND

Speciality Restaurants Limited ("The Company") and its joint venture company are primarily engaged in the business of operating restaurant outlets / sweet shops.

2 SIGNIFICANT ACCOUNTING POLICIES:

a) Statement of compliance

The Consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Upto the year ended 31 March, 2017, the Company prepared its Consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS Consolidated financial statements. The date of transition to Ind AS is 1 April, 2016. Refer Note 3 for the details of first-time adoption exemption availed by the Company.

The Company has not early applied the following IND AS that has been issued but is not yet effective:

IND AS 115 - Revenue from Contracts with Customers

Effective for annual periods beginning on or after 1 April 2018.

IND AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IND AS 115 will supersede the current revenue recognition guidance including IND AS 18 Revenue, IND AS 11 Construction Contracts and the related Interpretations when it becomes effective.

Under IND AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The amendments apply prospectively for annual periods beginning on or after April 1, 2018. The Company is still in the process of evaluating the impact of the above standard on the consolidated financial statements.

b) Basis of preparation of Consolidated Financial Statements

The Consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its joint venture company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

c) Consolidation of Financial Statements

The consolidated financial statements relate to the Company and its Joint venture company. The financial statements of the Joint venture company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2018. The Company's investment in a joint venture is accounted for by the Equity Method. On initial recognition the investment is recorded at cost, and the carrying amount is increased or decreased to recognize the Company's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. Distributions received from the joint venture reduce the carrying amount of the investment. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in that joint venture), the Company discontinues recognising its share of further losses. Additional losses are however recognised to the extent that the Company has incurred legal or constructive obligations on behalf of that joint venture. The carrying amount of the investment is tested for impairment at each reporting date. Following joint venture company has been considered in the preparation of the consolidated financial statements:



Name of the Joint venture company	Country of Incorporation	% of Holding and voting power either directly or indirectly as at 31 March, 2018, 31 March 2017 and 1 April 2016
Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	Qatar	49%

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

Freehold land is not depreciated.

Assets acquired under finance leases are accounted for at the inception of the lease in accordance with Ind AS 17 on Leases at the lower of the fair value of the asset and present value of minimum lease payments.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. Leasehold land is amortised over the duration of the lease.

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

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

Depreciation has been provided on Written Down Value (WDV) Method. The estimated useful life which is in line with Schedule II to the Act is set out herein below.

Asset	Useful life
Computers	3 - 6 years
Plant and Equipment	15 years
Vehicles	8 - 10 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Consolidated profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

e) Intangible assets

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

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

Patents and Trademarks are amortised uniformly over a period of five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Consolidated profit or loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

f) Capital work-in-progress:

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

g) Impairment of tangible and intangible assets:

An asset is considered as impaired in accordance with Ind AS 36 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in Consolidated profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Consolidated profit or loss.

h) Revenue Recognition

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

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

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

- Initial Access Premium Fee charged to franchisees, in consideration of being considered as competent to open a restaurant under a Company owned trademark, is recognised on formalisation of franchisee agreement. The Initial Access Premium Fee is non – refundable, regardless of whether the restaurant outlet under the franchisee agreement commences operations or not.
- Royalty and Management Fee charged to franchisees for use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with sales.

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

i) Other income:

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

j) Inventories:

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

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

k) Employee Benefits

Compensation to employees for services rendered is measured and accounted for in accordance with Indian Accounting Standard 19 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 Consolidated profit or 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 and the joint venture company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Consolidated profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

l) Foreign Currency Transactions and Translations

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions and translations are as under:

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates.



Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of profit and loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Consolidated profit or loss in the period in which they are incurred.

n) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or subsequently enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred Tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

o) Earnings Per Share

The basic and diluted Earnings per Share (EPS) is reported in accordance with IND AS 33 on Earnings Per Share. Basic EPS is computed by dividing the net Consolidated 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 Consolidated 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.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Finance lease

Assets held under finance leases are initially recognised as assets of the Company and the joint venture company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments, The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease

Rental expense from operating leases is generally recognised on a straight line basis over the term of the relevant lease, Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Interest free lease deposits are remeasured at amortised cost by the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expense uniformly over the lease period. Interest income measured by the effective interest rate method is accrued.

q) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in IND AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company and the joint venture company.

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

r) Provisions and contingencies

Provisions are recognised when the Company and the joint venture company has a present obligation (legal or constructive) as a result of a past event, it is probable that they will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent asset is neither recognised nor disclosed in the Consolidated financial statements.

s) Employee share based payments

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of Equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in Consolidated profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Equity settled employee benefits reserve.

t) Financial instruments

Financial assets and financial liabilities are recognised when the Company and the joint venture company becomes a party to the contractual provisions of the instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or



discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Consolidated profit or loss and is included in the "Other income" line item.

Financial assets at FVTPL

Debt instruments that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated profit or loss. The net gain or loss recognised in Consolidated profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company and the joint venture company apply the expected credit loss model (ECL) for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables and any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under IND AS 109.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Consolidated profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company and the joint venture company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company and the joint venture company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial instruments

The Company and the joint venture company derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

3 First-time adoption:

Overall principle

The Company has prepared the opening consolidated balance sheet as at 1 April, 2016 (the transition date) as per Ind AS by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the optional exemption availed by the Company as per IND AS 101 as detailed below.

3.1 Deemed cost for property, plant and equipment, and intangible

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4 Critical accounting judgments and key sources of estimation uncertainty

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgments in applying accounting policies

The following is the critical judgment, apart from those involving estimations that the directors have made in the process of applying the Company and the joint venture company's accounting policies and that have the most significant effect on the amounts recognised in the Consolidated financial statements.

4.1.1 Classification of Mainland China Restaurant (LLC) as a joint venture

Mainland China Restaurant (LLC) is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have right to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Mainland China Restaurant (LLC) is classified as a joint venture of the Company.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of equity investment and receivables from joint venture company

During the year, the directors considered the recoverability of receivables from joint venture company "Mainland China Restaurant LLC" in Qatar. The joint venture company has stopped commercial operations on account of continuing losses and accordingly the Company has recognised an impairment loss of ₹ 15.80 million for diminution in value of company's receivables from the joint venture company. The impairment loss has been disclosed as an "Exceptional item" in the Consolidated Statement of Profit and Loss.

4.2.2 Useful lives of property, plant and equipment

The Company and the joint venture company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2018, 2017 and 2016, there were no changes in useful lives of property plant and equipment and intangible assets.

The Company and the joint venture company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a restaurant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Consolidated Statement of Profit and Loss.

4.2.3 Impairment of trade receivables

The Company and the joint venture company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

4.2.4 Deferred tax

The Company reviews the carrying value of Deferred tax asset (DTA) at the end of each reporting period. Since the expected revenues and profits were not achieved in the current year, the Management on a prudent basis concluded that sufficient taxable profits are not available for the DTA to be recovered in the near future and accordingly the same has been fully provided for in the consolidated financial statements.

4.2.5 Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company and the joint venture company. There are certain obligations which management have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes but are not provided for in the Consolidated financial statements.



Note 5

Property, Plant and Equipment (PPE) and Intangible Assets

₹ In Millions

Particulars	Freehold Land	Leasehold Improvements	Leasehold land (Refer note 3 below)	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total PPE	Software	Trademark	Total Intangible Assets
Balance at 1 April, 2016 (Refer note 1 below)	26.65	647.36	82.37	312.93	225.72	7.62	13.34	5.22	1,321.21	8.95	15.64	24.59
Additions	-	89.52	-	23.22	40.68	3.31	5.45	-	162.18	0.09	1.61	1.70
Disposals	-	(60.17)	(14.77)	(2.30)	(0.79)	-	(1.38)	(3.03)	(82.44)	-	-	-
Balance at 31 March, 2017	26.65	676.71	67.60	333.85	265.61	10.93	17.41	2.19	1,400.95	9.04	17.25	26.29
Additions	-	80.93	-	30.00	41.61	2.37	5.27	-	160.18	1.41	3.23	4.64
Disposals	-	(44.40)	-	(6.44)	(2.57)	(0.01)	(0.34)	-	(53.76)	-	-	-
Balance at 31 March, 2018	26.65	713.24	67.60	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Accumulated depreciation/ amortisation and impairment												
Balance at 1 April, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	51.50	-	0.30	(0.02)	-	0.09	0.82	52.69	-	-	-
Depreciation expense	-	(175.66)	(0.48)	(63.55)	(67.94)	(4.18)	(4.67)	(1.50)	(317.98)	(3.45)	(5.18)	(8.63)
Balance at 31 March, 2017	-	(124.16)	(0.48)	(63.25)	(67.96)	(4.18)	(4.58)	(0.68)	(265.29)	(3.45)	(5.18)	(8.63)
Eliminated on disposal of assets	-	42.50	-	0.12	0.06	-	0.01	-	42.69	-	-	-
Depreciation expense	-	(169.20)	(0.44)	(53.81)	(56.16)	(3.63)	(4.79)	(0.47)	(288.50)	(2.62)	(5.44)	(8.06)
(Refer note 2 below)												
Balance at 31 March, 2018	-	(250.86)	(0.92)	(116.95)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Carrying amount												
Balance at 1 April, 2016	26.65	647.36	82.37	312.93	225.72	7.62	13.34	5.22	1,321.21	8.95	15.64	24.59
Balance at 31 March, 2017	26.65	552.55	67.12	270.60	197.65	6.75	12.83	1.51	1,135.66	5.59	12.07	17.66
Balance at 31 March, 2018	26.65	462.38	66.68	240.47	180.59	5.48	12.98	1.04	996.27	4.38	9.86	14.24

Notes:

1. Carrying value of PPE and Intangible assets as on 1 April 2016 is considered as deemed cost on transition date, arrived as per previous GAAP. (Refer note 3.1) as follows:

₹ In Millions	
Particulars	Total
Gross Block as on 01 April 2016	2,675.87
Accumulated Depreciation as on 01 April 2016	1,330.07
Carrying Value as on 01 April 2016	1,345.80

2. Depreciation for the year includes impairment charge aggregating ₹ 37.21 million (Previous Year - ₹ 48.87 million)

3. Land represents the amount where the entity is a lessee under finance lease.



Note 6 Investments - Non current

₹ In Millions

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Qty.	Amount	Qty.	Amount	Qty.	Amount
Unquoted at cost						
Investments in Equity instruments						
Mainland China Restaurant (LLC) of QAR 1,000 each (Joint venture)	490	-	490	-	490	-
		-		-		-
Total Investments Carrying Value		-		-		-
Aggregate Carrying Value of unquoted investments		-		-		-

Note 7 Other investments
Non-Current

₹ In Millions

	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Units	Amount	Units	Amount	Units	Amount
Unquoted at cost						
Investment in Government or Trust Securities	-	0.19	-	0.17	-	0.17
(NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	-	-	-	-	-
Total non-current investments	-	0.19	-	0.17	-	0.17
Current						
Unquoted Investments						
Investment in Mutual Funds (at FVTPL)						
Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	631,461	135.97	-	-	-	-
HDFC Banking And PSU Debt Fund - Direct - Growth Option	3,748,455	53.19	-	-	-	-
ICICI Equity Arbitrage Fund - Direct Growth	4,365,468	103.34	-	-	-	-
ICICI Prudential Short Term Plan - Direct Plan - Growth Option	1,444,750	54.18	-	-	-	-
Kotak Equity Arbitrage Fund - Direct Plan Growth	4,336,672	110.65	-	-	-	-
Kotak Floater Short Term - Direct Growth	10,983	31.32	-	-	-	-
Kotak Low Duration Fund - Direct Growth	333	0.73	-	-	-	-
Reliance Arbitrage Advantage Fund - Growth Plan	3,456,838	61.59	-	-	-	-
Reliance Quarterly Interval Fund - Series II - Direct Plan - Growth Option	4,212,513	101.11	-	-	-	-
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option	868	1.33	1,585	2.42	203	0.31
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option	3,544	15.02	135	0.21	19,733	30.17
Reliance Medium Term Fund - Daily Growth Plan - Growth Option	94,844	3.53	3,552,991	60.74	5,282,745	90.31
Reliance Quarterly Interval Fund- Series II- Direct Dividend Plan	-	-	-	-	4,990,617	50.59
Reliance Banking & PSU Debt Fund - Direct Monthly Dividend Plan - Reinvest	-	-	10,137,784	104.27	-	-
L&T Liquid Fund Direct Plan - Daily Dividend Reinvestment Plan	-	-	9,984	10.11	-	-
Aditya Birla Sun Life Floating Rate Long Term Fund - Regular Plan -Daily Dividend Re-investment	-	-	1,276,621	128.71	1,205,732	121.23
ICICI Prudential Short Term Plan-Monthly Dividend Re-investment	-	-	-	-	428,776	5.21



	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Units	Amount	Units	Amount	Units	Amount
Birla Sun Life Saving Fund - Direct Plan -Daily Dividend Re-investment	-	-	-	-	514,936	51.65
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Dividend Re-investment	-	-	1,128,212	11.37	1,067,198	10.76
SBI Ultra Short Term Debt Fund- Direct Plan Daily Dividend	-	-	-	-	68,106	68.52
UTI Treasury Advantage Fund - Institutional plan - Direct Plan - Daily Dividend - Re-investment	-	-	7,123	7.14	58,693	58.83
Axis Treasury Advantage Fund - Direct Plan - Daily Dividend - Re-investment	-	-	12,426	12.52	31,460	31.62
Kotak Low Duration Fund - Direct Plan - Monthly Dividend - Re-investment	-	-	39,794	41.30	21,557	22.41
Kotak Low Duration Fund Standard - Regular Plan - Monthly Dividend	-	-	-	-	40,382	41.36
Kotak Treasury Advantage Fund - Direct Plan - Daily Dividend	-	-	-	-	4,153,429	41.87
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Daily Dividend - Re-investment	-	-	-	-	1,066,405	10.75
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Regular Plan - Dividend Reinvestment - Daily - Reinvest	-	-	1,126,568	11.36	-	-
Kotak Bond (Short Term) - Direct Plan - Monthly Dividend - Reinvest	-	-	1,944,312	20.25	-	-
HDFC Banking and PSU Debt Fund - Regular Plan - Dividend Option - Reinvest	-	-	4,938,645	50.78	-	-
HDFC Banking and PSU Debt Fund - Direct Dividend Option - Reinvest	-	-	2,460,396	25.41	-	-
ICICI Prudential Short Term Plan - Direct - Monthly Dividend Re-investment	-	-	5,158,038	64.96	5,662,596	70.12
Aditya Birla Sun Life Floating Rate Long Term - Daily Dividend-Direct Plan - Reinvest	-	-	252,036	25.30	-	-
ICICI Prudential Short Term - Monthly Dividend - Reinvest	-	-	454,503	5.58	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Daily Dividend - Reinvest	-	-	10,869,542	109.85	-	-
Total current investments	22,306,729	671.96	43,370,695	692.28	24,612,568	705.71
Aggregate Carrying Value of unquoted investments		671.96		692.28		705.71

Note 8 Loans

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<u>Non- Current (Unsecured, considered good)</u>			
a) Loans to related party	-	7.77	18.92
b) Loans to employees	12.97	14.29	16.29
Total	12.97	22.06	35.21
<u>Current (unsecured, considered good)</u>			
a) Loans to related party	-	-	13.56
b) Loans to employees	6.15	6.13	10.72
c) Loans to others	-	0.10	1.83
Total	6.15	6.23	26.11

Note 9 Other financial assets (Unsecured)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<u>Non- Current</u>			
a) Security and other deposits			
Considered good	280.07	318.07	293.98
Considered doubtful	4.00	2.00	3.03
Less: Allowance for doubtful receivables	(4.00)	(2.00)	(3.03)
	280.07	318.07	293.98
b) Others			
- Reimbursement of expenses			
Considered good	-	-	0.98
Considered doubtful	26.46	21.30	6.33
	26.46	21.30	7.31
Less: Allowance for doubtful receivables	(26.46)	(21.30)	(6.33)
	-	-	0.98
- Fixed deposits held as securities against bank guarantees	0.65	0.62	2.18
Total	280.72	318.69	297.14
<u>Current</u>			
a) Security and other deposits			
Considered good	22.92	22.92	18.82
b) Other recoverables			
Considered good	0.10	0.16	0.18
c) Reimbursement of expenses			
Considered good	49.03	49.13	36.90
Total	72.05	72.21	55.90

Note 10 Other assets (Unsecured, considered good unless otherwise stated)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<u>Non- Current</u>			
a) Capital Advances	31.84	16.34	39.22
b) Advances to suppliers and others			
Considered doubtful	6.12	3.57	1.57
Less: Allowance for doubtful receivables	(6.12)	(3.57)	(1.57)
	-	-	-
c) Others			
Prepaid expenses and others	1.34	1.20	1.33
Considered doubtful	10.75	-	-
Less: Allowance for doubtful receivables	(10.75)	-	-
	1.34	1.20	1.33
Deferred rent	107.03	101.75	135.92
Balances with government authorities	55.61	49.76	37.35
Advance income tax (net of provision: ₹ 240.11 million) (As at 31 March, 2017: ₹ 335.36 million; As at 1 April, 2016: ₹ 328.35 million)	63.63	52.28	64.15
Total	259.45	221.33	277.97



Current

₹ In Millions

a) Advances to suppliers and others	15.85	28.33	37.03
b) Others			
- Prepaid expenses and others			
Considered good	68.66	33.11	30.50
Deferred Rent	31.48	36.18	42.11
Balances with government authorities	1.03	9.20	14.37
Advance income tax	-	16.98	-
Total	117.02	123.80	124.01

Note 11 Inventories

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Inventories (lower of cost and net realisable value)			
- Food and beverage items	65.49	66.03	65.77
- Others	4.43	4.51	4.70
- Stock in transit	0.53	0.82	0.59
Total	70.45	71.36	71.06

The mode of valuation of inventories has been stated in note 2(j).

Note 12 Trade Receivables

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(Unsecured)			
Trade receivables			
Considered good	63.94	49.65	37.27
Doubtful	59.73	56.43	55.61
	123.67	106.08	92.88
Less: Allowance for doubtful debts	(59.73)	(56.43)	(55.61)
Total	63.94	49.65	37.27

12.1 Trade Receivables

₹ In Millions

The average credit period on sales of services is 30 days. No interest is charged on trade receivables. A formal credit policy has been framed and credit facilities are given to customers within framework of credit policy.

Note 13 Cash and Cash Equivalents and other bank balances

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Balances with Banks			
- In current accounts	25.22	3.82	9.86
- In fixed deposits accounts	22.80	32.87	39.23
Cash on hand	4.17	2.05	3.63
Cash and cash equivalents	52.19	38.74	52.72
Bank balances other than above			
In earmarked accounts			
- Unpaid dividend accounts	0.13	0.13	0.13
Total	0.13	0.13	0.13

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Authorised Share Capital			
14.1 Equity share capital 5,10,00,000 fully paid equity shares of ₹ 10 each	510.00	510.00	510.00
Preference share capital 70,00,000 fully paid compulsorily convertible preference shares of ₹ 10 each	70.00	70.00	70.00
14.1 Issued, subscribed capital and fully paid up: 4,69,57,657 fully paid equity shares of ₹ 10 each (Of the above shares 6,689,118 (Previous year - 6,689,118) equity shares are allotted as fully paid-up on conversion of compulsorily convertible preference shares)	469.58	469.58	469.58
Total	469.58	469.58	469.58
14.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Number of shares outstanding as at the beginning and at the end of the year	46,957,657	46,957,657	46,957,657

14.4 **Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

14.5 Shares reserved for issue under options (Refer note 33)	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Number of shares outstanding as at the end of the year	337,500	482,400	515,300

14.6 **Details of shares held by each shareholder holding more than 5% shares in the company are set out below**

	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Anjan Chatterjee	12,070,000	25.70%	12,070,000	25.70%
Suchhanda Chatterjee	11,970,000	25.49%	11,970,000	25.49%
Deepak Bhagnani	5,494,602	11.70%	1,734,118	3.69%
Saif III Mauritius Company Limited	-	-	3,031,348	6.46%
Saif Advisors Mauritius Limited	-	-	2,960,712	6.31%
Reliance Capital Trustee Co. Ltd	-	-	1,320,663	2.81%

	As at 1 April, 2016	
	Number of shares held	% holding of equity shares
Fully paid equity shares		
Anjan Chatterjee	12,070,000	25.70%
Suchhanda Chatterjee	11,970,000	25.49%
Saif III Mauritius Company Limited	4,992,140	10.63%
Saif Advisors Mauritius Limited	3,877,964	8.26%
Reliance Capital Trustee Co. Ltd	2,527,663	5.38%



Note 15 Other equity

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital Reserve	1.67	1.67	1.67
Securities premium reserve	1,626.50	1,626.50	1,626.50
Share options outstanding account	12.93	11.39	8.48
Retained earnings	168.51	632.48	882.14
Total	1,809.61	2,272.04	2,518.79

15.1 Capital Reserve

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
Balance at end of year	1.67	1.67

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

15.2 Securities premium reserve

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
Balance at end of year	1,626.50	1,626.50

Securities premium reserve is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013.

15.3 Retained earnings

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	632.48	882.14
Loss as per Consolidated Statement of profit and loss	(467.66)	(255.23)
Other comprehensive income for the year	3.69	5.57
Balance at end of year	168.51	632.48

15.4 ESOP outstanding account

₹ In Millions

	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at the beginning of year	11.39	8.48
Movement on account of ESOP's	1.54	2.91
Balance at end of year	12.93	11.39

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share based payments to employees is set out in note 33

Note 16 Borrowings

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-current			
Secured - at amortised cost			
Long term maturities of finance lease obligations			
- Vehicle loans (Refer note 16.1)	-	0.26	1.25
Total non-current borrowings	-	0.26	1.25

16.1 Summary of borrowing arrangements

- Details of Security
Secured by the assets leased.
- The loans is repayable in equated monthly instalments and interest rate is in the range of 9% - 13%

Note 17 Trade payables

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade payables	424.02	377.73	374.23
Total	424.02	377.73	374.23

17.1 Total outstanding dues of micro enterprises and small enterprises

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

₹ In Millions

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting 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 period of delay in making payments	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting 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	-	-	-
	-	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 18 Other financial liabilities

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Non-Current			
Rent payable	88.45	94.38	93.45
Total	88.45	94.38	93.45
Current			
a) Current maturities of finance lease obligations	0.26	0.99	1.71
b) Unpaid dividends	0.13	0.13	0.13
c) Other payables			
- Payables on purchase of property, plant and equipment	19.40	28.11	33.51
- Rent payable	0.17	0.79	-
- Security deposit received	13.10	3.10	-
Total	33.06	33.12	35.35



Note 19 Other current liabilities

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Revenue received in advance	2.58	1.63	0.92
b) Others			
- Statutory remittances	32.62	43.67	40.09
- Payable on account of gratuity (net)	19.80	11.99	7.49
- Share of losses in joint venture company	11.45	-	-
- Others	14.95	15.19	10.16
Total	81.40	72.48	58.66

Note 20 Revenue from operations

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of services		
(a) Income from sale of food and beverages	2,908.53	3,068.90
(b) <u>Franchise Income</u>		
- Initial access premium	17.40	1.58
- Royalty and management fees	38.14	50.46
(c). <u>Other operating revenue</u>		
- Designing & consulting fees	0.38	0.46
- Income from display & sponsorship	2.63	1.87
- Sale of scrap	0.83	0.91
Total	2,967.91	3,124.18

Note 21 Other Income

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
- Bank deposits (at amortised cost)	1.27	1.37
- Other financial assets carried at amortised cost	4.97	8.07
- 'Unwinding effect of security deposits	34.55	33.21
	40.79	42.65
(b) Dividend income		
Dividend on mutual funds	20.77	40.96
	20.77	40.96
(c). Other gains and losses		
Gain on disposal of property, plant and equipment	0.72	-
Gain/(loss) on sale of investments	5.54	0.56
Gain/(loss) on restatement of investments at FVTPL	10.94	1.71
	17.20	2.27
(d) Miscellaneous income		
Miscellaneous income	0.27	1.47
	0.27	1.47
(a + b + c + d)	79.03	87.35



Note 22 Cost of materials consumed

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Food & Beverages		
Opening stock	66.85	66.36
Add: Purchases	952.56	1,009.89
	1,019.41	1,076.25
Less: Closing stock	(66.02)	(66.85)
Total	953.39	1,009.40

Note 23 Employee Benefits expense

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salaries and wages	642.40	707.58
Contribution to provident and other funds (Refer note 32)	44.60	53.26
Share based payments cost (measured at fair value) (Refer note 33)	1.54	2.91
Staff welfare expenses	76.07	79.62
Total	764.61	843.37

Note 24 Finance Costs

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest costs		
Interest on obligations under finance leases	0.07	0.18
Total	0.07	0.18

Note 25 Depreciation and amortisation expense

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Depreciation of property, plant and equipment (Refer note 5)	288.50	317.98
Amortisation of intangible assets (Refer note 5)	8.06	8.63
Total depreciation and amortisation expense	296.56	326.61

Note 26 Impairment losses on financial assets and reversal of impairment on financial assets

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Impairment loss allowance on trade receivables	-	0.83
Impairment loss allowance on other financial assets carried at amortised cost	7.96	16.32
Total	7.96	17.15

Note 27 Other expenses

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Rent (Refer note 35)	525.22	528.96
Power and fuel	190.75	188.19
Rates, taxes and licence Fee	90.74	124.88
Operating supplies	73.04	63.44
Insurance	3.62	3.66
Advertising and marketing Expenses (net of recoveries)	45.52	54.06
Payment to Auditors (Refer note 27.1 below)	5.28	4.71
Repairs and maintenance - Machinery	25.80	27.35
Repairs and maintenance - Building	93.24	92.57
Repairs and maintenance - Others	31.63	37.94
Expenditure on corporate social responsibility (Refer note 42)	-	1.90
Miscellaneous expenses	149.54	139.95
Total	1,234.38	1,267.61



27.1 Payments to auditors

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
As auditor - statutory audit	3.75	3.75
For tax audit	0.40	0.40
For other services *	1.02	0.45
For reimbursement of expenses	0.11	0.11
Total	5.28	4.71

* includes ₹ 0.16 Million (previous year ₹ Nil) to an affiliated firm of the auditors

Note 28 Contingent liabilities (to the extent not provided for)

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Claims against the Company not confirmed as debts			
a. Legal cases against the Company	166.16	166.16	167.18
b. Sales tax demands	80.10	58.32	44.68
c. Excise demands	-	6.25	6.25
d. Income tax demands	3.79	3.79	26.40
e. Service tax demands	78.75	78.75	78.75
Total	328.80	313.27	323.26

Note 29 Commitments

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36.40	58.17	48.08
b) Investment in Speciality Hospitality UK Limited (Subsidiary)	7.00	-	-
	43.40	58.17	48.08

Note 30 Earnings per share (EPS)

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(467.66)	(255.23)
Weighted Average Number of Equity Shares for Basic Earnings per share	46,957,657	46,957,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	46,957,657	46,957,657
Basic Earnings Per Share (in ₹)	(9.96)	(5.44)
Diluted Earnings Per Share (in ₹)	(9.96)	(5.44)
Nominal value per share (in ₹)	10.00	10.00

Note 31 Obligations under finance leases**31.1 Leasing arrangements**

The Company has taken on lease land and vehicles. At the end of the lease period the vehicles will be transferred in the name of the Company. Vehicles are taken on lease for periods ranging from 3 to 5 years.

Interest rate underlying the obligations under finance leases of vehicles, are fixed at respective contract dates, is 9.21% per annum (as at 31 March, 2017: 9.21% per annum; as at 1 April, 2016: 9% to 13% per annum).

31.2 Finance lease liabilities

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

₹ In Millions

	Minimum lease payments			Present value of minimum lease payments		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Not later than one year	0.27	1.06	1.89	0.26	0.99	1.71
Later than one year and not later than five years	-	0.27	1.33	-	0.26	1.25
Later than five years	-	-	-	-	-	-
	0.27	1.33	3.22	0.26	1.25	2.96
Less: future finance charges	(0.01)	(0.08)	(0.26)	-	-	-
Present value of minimum lease payments	0.26	1.25	2.96	0.26	1.25	2.96

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Included in the consolidated financial statements as:			
- Current maturities of finance lease obligations (note 18)	0.26	0.99	1.71
- Non-current borrowings (note 16)	-	0.26	1.25

Note 32 Employee benefit plans

32.1 Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 32.46 million (Previous Year ended 31 March, 2017 ₹ 38.85 million) for Provident Fund contributions in the Consolidated Statement of profit & loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

32.2 Defined benefit plans:

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death, disability or voluntary withdrawal. Under the scheme, the employees are entitled to a lump sum amount aggregating to 15 days final basic salary for each year of completed service payable at the time of retirement/resignation, provided the employee has completed 5 years of continuous service. The defined benefit plan is administered by a third-party insurer. The third-party insurer is responsible for the investment policy with regards to the assets of the plan.

32.3 The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk, and salary risk.

Investment risk:	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net benefit obligation will increase the value of the liability.
Interest rate risk:	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability
Salary Inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

32.4 The disclosure as required under Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ In Millions

	Valuation as at		
	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Discount rate(s)	7.60%	7.05%	7.75%
Expected rate(s) of salary increase	4.50%	4.50%	6.00%

Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.



Salary Escalation Rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

- (b) Amounts recognised in the Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows.

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April 2016
Current service cost	10.61	14.13	13.49
Past service cost	1.11	-	-
Interest on net defined benefit liability/ (asset)	0.42	0.29	0.82
Components of defined benefit costs recognised in profit or loss	12.14	14.42	14.31
Remeasurement on the net defined benefit liability:			
Return on plan assets (excluding amounts included in net interest expense)	1.02	0.91	0.18
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(1.50)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.26)	(3.80)	1.09
Actuarial (gains) / losses arising from experience adjustments	(2.45)	(3.93)	(8.09)
Components of defined benefit costs recognised in other comprehensive income	(3.69)	(8.32)	(6.82)
Total	8.45	6.10	7.49

The current service cost / past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

- (c) The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Present value of funded defined benefit obligation	52.25	55.08	59.28
Fair value of plan assets	32.45	43.09	51.79
Net liability arising from defined benefit obligation	19.80	11.99	7.49

- (d) Movements in the present value of the defined benefit obligation are as follows.

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Opening defined benefit obligation	55.08	59.28	54.25
Current service cost	10.61	14.13	13.49
Past service cost	1.11	-	-
Interest cost	3.53	4.32	4.07
Remeasurement (gains)/losses:			
Actuarial gains and losses arising from changes in demographic assumptions	-	(1.50)	-
Actuarial gains and losses arising from changes in financial assumptions	(2.26)	(3.80)	1.09
Actuarial gains and losses arising from experience adjustments	(2.45)	(3.93)	(8.09)
Benefits paid	(13.36)	(13.40)	(5.53)
Closing defined benefit obligation	52.25	55.08	59.28

(e) **Movements in the fair value of the plan assets are as follows.**

₹ In Millions

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Opening fair value of plan assets	43.09	51.79	33.62
Interest income	3.10	4.03	3.25
Remeasurement gain (loss):			
Return on plan assets (excluding amounts included in net interest expense)	(1.03)	(0.92)	(0.18)
Contributions from the employer	0.65	1.59	20.63
Benefits paid	(13.36)	(13.40)	(5.53)
Closing fair value of plan assets	32.45	43.09	51.79

(f) **Breakup of Plan Assets as a percentage of total Plan Assets**

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Insurer Managed Funds	100%	100%	100%

The Company expects to make a contribution of ₹ 19.80 Million (as at 31 March, 2017: ₹ 11.99 Million; as at 1 April, 2016: ₹ 7.49 Million) to the defined benefit plans during the next financial year.

(g) The weighted average duration of the defined benefit obligation as at 31 March 2018 is 7.52 years (2017: 7.98 years, 2016: 9.36 years)

(h) **Sensitivity Analysis**

Method used for sensitivity analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to the discount rate and the future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Discount Rate

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Discount Rate			
Impact of increase in 50 bps on discount rate	(3.63%)	(3.84%)	(4.49%)
Impact of decrease in 50 bps on discount rate	3.91%	4.15%	4.89%

Salary escalation rate

	For the year ended 31 March, 2018	For the year ended 31 March, 2017	As at 1 April, 2016
Salary escalation rate			
Impact of increase in 50 bps on salary escalation rate	4.01%	4.20%	4.91%
Impact of decrease in 50 bps on salary escalation rate	(3.75%)	(3.91%)	(4.54%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis. For change in assumptions refer to note 32.4 (a) above.

Note 33 Employee Stock Option Scheme (ESOS)

- 33.1 During the FY 2013-14, the Board Governance & Remuneration committee in its meeting held on 6 September, 2013 granted 577,200 stock options under the Speciality Restaurants Limited - Employee Stock Option Scheme 2012 (ESOP 2012 Scheme) to the few eligible employees of the Company. The options allotted under the ESOP 2012 scheme are convertible into equal number of equity shares of the face value of ₹ 10 each.



Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹ 10 each upon payment of the exercise price during the exercise period. The option would vest in 4 annual instalments after one year of the grant. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the ESOP 2012 Scheme.

The vesting period for conversion of Options is as follows:

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

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the awards during the year ended 31 March 2018, 31 March 2017 and 1 April 2016. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
Options granted under ESOS 2012						
Options outstanding at the beginning of the year	482,400	126.20	515,300	126.20	515,300	126.20
Options granted during the year	-	-	-	-	-	-
Options forfeited during the year	77,000	126.20	-	-	-	-
Options exercised during the year	-	-	-	-	-	-
Options expired during the year	67,900	126.20	32,900	126.20	-	-
Options outstanding at the end of the year	337,500	126.20	482,400	126.20	515,300	126.20
Options exercisable at the end of the year	337,500		361,800		257,650	
Exercise price of outstanding options as per ESOS Scheme (₹)	126.20		126.20		126.20	
Remaining contractual life of outstanding options (years)	1.44 years		1.94 years		2.94 years	

33.2 Fair value of share options granted in the year

There are no new grants during the financial year 2017-18

Note 34 Financial Instruments

34.1 Capital Management

The Company and the joint venture company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Company and the joint venture company does not have any significant borrowing.

The Company and the joint venture company is not subject to any externally imposed capital requirements.

34.2 Categories of financial instruments

₹ In Millions

	As at		
	31 March, 2018	31 March, 2017	1 April, 2016
Financial assets			
Measured at amortised cost			
(a) Cash and cash equivalents	52.19	38.74	52.72
(b) Bank balance other than covered in (a) above	0.13	0.13	0.13
(c) Trade Receivables	63.94	49.65	37.27
(d) Loans	19.12	28.29	61.32
(e) Other financial assets	352.78	390.90	353.04

	As at		
	31 March, 2018	31 March, 2017	1 April, 2016
Measured at FVTPL			
(a) Investment in mutual funds	671.96	692.28	705.71
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	-	0.26	1.25
(b) Trade Payables	424.02	377.73	374.23
(c) Other financial liabilities	121.51	127.50	128.80

34.3 Financial risk management objectives

The Company and the joint venture company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company and the joint venture company's principal financial assets include trade and other receivables, current investments and cash and short-term deposits that are derived directly from its operations.

The Company and the joint venture company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk). The Company and the joint venture company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimize potential adverse effects of such risks on the company's operational and financial performance.

34.3.1 Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables (mainly franchisees), deposits with landlords for restaurant properties taken on lease and other receivables.

Trade and other receivables: The Company and the joint venture company's business is predominantly through cash and credit card collections. The credit risk on credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of franchisees and the credit risk exposure for them is managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for restaurant properties taken on leases, for which agreements are signed and property possessions timely taken for restaurant operations. The risk relating to refunds after vacating or restaurant shut down is managed through successful negotiations or appropriate legal actions, where necessary.

34.3.2 Liquidity risk management

The Company and the joint venture company's principal sources of liquidity are cash and cash equivalents, cash flow generated from operations and by churning of current investments. The Company does not have any significant borrowing. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

₹ In Millions

	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
31 March, 2018					
Trade Payables	424.02	-	-	-	424.02
Borrowings	0.26	-	-	-	0.26
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	19.40	-	-	-	19.40
Rent payable	0.17	21.60	31.49	35.36	88.62
Security deposit received	13.10	-	-	-	13.10
	457.08	21.60	31.49	35.36	545.53



	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
31 March, 2017					
Trade Payables	377.73	-	-	-	377.73
Borrowings	0.99	0.26	-	-	1.25
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	28.11	-	-	-	28.11
Rent payable	-	18.49	29.37	47.30	95.17
Security deposit received	3.10	-	-	-	3.10
	410.06	18.75	29.37	47.30	505.49
1 April, 2016					
Trade Payables	374.23	-	-	-	374.23
Borrowings	1.71	1.25	-	-	2.96
Unpaid dividends	0.13	-	-	-	0.13
Payables on purchase of property, plant and equipment	33.51	-	-	-	33.51
Rent payable	-	2.34	28.66	62.45	93.45
	409.58	3.59	28.66	62.45	504.28

34.3.3 Market Risk

The Company is exposed to market risks associated with foreign currency rates and commodity prices.

Foreign currency risk management

The Company and the joint venture company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The exchange gains or losses are recognised in profit or loss on the date of settlement and restatement at quarter intervals.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency
Amounts receivable in foreign currency on account of the following:						
Royalty and Management fees receivable	12.21	USD 176,949	12.20	USD 176,949	11.72	USD 167,646
Reimbursement of Expenses	2.09	USD 34,181	2.05	USD 33,891	2.00	USD 33,319
Amounts payable in foreign currency on account of the following:						
Professional fees	1.95	USD 29,934	1.65	USD 25,484	1.80	USD 27,094
Professional fees	-	-	0.13	CND 2,725	-	-
Professional fees	-	-	0.26	POUND 3,223	0.31	POUND 3,223
Professional fees	-	-	0.13	YEN 222,400	0.13	YEN 222,400
Professional fees	-	-	0.04	SGD 817	0.04	SGD 817
Professional fees	-	-	0.22	AD 4,357	0.22	AD 4,357
	1.95		2.43		2.50	

The Company's exchange risk arises from its foreign currency revenues and expenses, (primarily in U.S. Dollars).

As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees will decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies, the Company is not significantly exposed to foreign currency risk.

Commodity Price Risk:

The Company and the joint venture company purchases certain products, including meat, cheese, vegetables and other commodities which are subject to price volatility that is caused by weather, market conditions and other factors that are not considered predictable or within the Company's control. The Company's supplies and raw materials are available from several sources, and not dependent upon any single source for these items. If any existing suppliers fail or are unable to deliver in quantities required by the Company,

the Company believes that there are sufficient other quality suppliers in the marketplace such that the Company sources of supply can be replaced as necessary. In most cases, the Company historically has been able to pass a substantial portion of the increased commodity costs to the Company's customers through periodic menu price adjustments.

34.4 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

34.4.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ In Millions

Sr No.	Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
		31 March, 2018	31 March, 2017	1 April, 2016		
1	Investments in Mutual funds	671.96	692.28	705.71	Level 1	The mutual fund investments are valued at closing NAV provided in the independent third party custodian statements.

34.4.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors are of the belief that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 35 Operating lease arrangements

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

₹ In Millions

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Payable not later than one year	79.90	76.81	107.28
Payable later than one year but not later than five years	111.49	39.51	93.22
Payable later than five years	-	-	-
	191.39	116.32	200.50

35.2 Lease payments recognised in the consolidated statement of profit or loss are as under:

₹ In Millions

	As at 31 March, 2018	For the year ended 31 March, 2017
Fixed lease rentals	427.40	421.74
Contingent lease rentals	64.15	63.39
	491.55	485.13

35.3 Leasing arrangements

Premises are taken on Lease for periods ranging from 1 to 50 years with a non- cancellable period at the beginning of the agreement ranging from 1 to 5 years

For certain restaurant outlets, rent is payable in accordance with the leasing agreement at the higher of:

- Fixed minimum guarantee amount and;
- Revenue share percentage



Note 36 Segment information

The principal business of the Company and the joint venture company is operating food outlets/ sweet shops. All other activities of the Company and the joint venture company revolve around its main business. The Chairman & Managing Director (MD) of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company and the joint venture company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments.

Note 37 Related Party Disclosures:

List of Related parties and their relationships

Sr.No	Category of related parties	Names
1	Promoters	Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee
2	Key management personnel	<u>Executive Director</u> Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee Mr. Indroneil Chatterjee <u>Non Executive Director</u> Mr. Rakesh Pandey (Appointed w.e.f. November 29, 2017) Mr. Ullal Ravindra Bhat (Appointed w.e.f. April 28, 2017) Mr. Dushyant Mehta Mr. Susim Mukul Datta (resigned w.e.f. August 31, 2017) Mr. Jyotin Mehta (resigned w.e.f. February 8, 2017)
3	Relative of Promoters	Mr. Avik Chatterjee
4	Enterprises over which directors or relative of promoters exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P) Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Joint venture company	Mainland China Restaurant & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
6	Wholly owned subsidiary	Speciality Hospitality UK Limited (incorporated on August 22, 2017)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of Promoter exercise control / significant influence	Joint venture company	Wholly owned subsidiary	Total
Transactions during the year ended 31 March 2018						
Interest Income						
Mainland China Restaurant (LLC)	-	-	-	-	-	-
	-	-	-	(5.97)	-	(5.97)
Total	-	-	-	-	-	-
	-	-	-	(5.97)	-	(5.97)
Franchisee Income						
Mainland China Restaurant (LLC)	-	-	-	0.34	-	0.34
	-	-	-	(2.96)	-	(2.96)
Total	-	-	-	0.34	-	0.34
	-	-	-	(2.96)	-	(2.96)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of Promoter exercise control / significant influence	Joint venture company	Wholly owned subsidiary	Total
Remuneration (Refer note 4 below)						
Mr. Anjan Chatterjee	6.00 (6.00)	-	-	-	-	6.00 (6.00)
Mrs. Suchanda Chatterjee	2.10 (2.10)	-	-	-	-	2.10 (2.10)
Mr. Indroneil Chatterjee	2.10 (2.10)	-	-	-	-	2.10 (2.10)
Mr. Avik Chatterjee	- -	0.85 (0.60)	-	-	-	0.85 (0.60)
Total	10.20 (10.20)	0.85 (0.60)	-	-	-	11.05 (10.80)
Sitting Fees paid to Non Executive Directors						
Mr. Rakesh Pandey	0.13 -	-	-	-	-	0.13 -
Mr. Ullal Ravindra Bhat	0.24 -	-	-	-	-	0.24 -
Mr. Dushyant Mehta	0.27 (0.15)	-	-	-	-	0.27 (0.15)
Mr. Susim Mukul Datta	0.05 (0.13)	-	-	-	-	0.05 (0.13)
Mr. Jyotin Mehta	- (0.11)	-	-	-	-	- (0.11)
Total	0.69 (0.39)	-	-	-	-	0.69 (0.39)
Rent and other expenses paid (Refer note 3 below)						
Situations Advertising & Marketing Services Private Limited						
- Rent	-	-	31.20 (35.28)	-	-	31.20 (35.28)
- Retainership Fees	-	-	1.20 (1.20)	-	-	1.20 (1.20)
- Advertisement Expenses	-	-	8.66 (5.62)	-	-	8.66 (5.62)
- Reimbursement of Expenses	-	-	8.16 (5.76)	-	-	8.16 (5.76)
Prosperous Promoters Private Limited	-	-	6.00	-	-	6.00
- Rent	-	-	(6.00)	-	-	(6.00)
Others	3.11 (3.09)	-	5.26 (8.54)	-	-	8.37 (11.63)
Total	3.11 (3.09)	-	60.48 (62.40)	-	-	63.59 (65.50)
Provision for Impairment of receivables and investments						
Mainland China Restaurant (LLC)	-	-	-	15.80	-	15.80
Total	-	-	-	15.80	-	15.80
	-	-	-	-	-	-



Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of Promoter exercise control / significant influence	Joint venture company	Wholly owned subsidiary	Total
Balance as at 31 March 2018						
Other payables						
Situations Advertising & Marketing Services Private Limited	-	-	14.58	-	-	14.58
	-	-	(7.83)	-	-	(7.83)
Prosperous Promoters Private Limited	-	-	1.55	-	-	1.55
	-	-	(1.55)	-	-	(1.55)
Others	2.20	-	2.66	-	-	4.86
	(2.17)	-	(2.56)	-	-	(4.73)
Total	2.20	-	18.79	-	-	20.99
	(2.17)	-	(11.94)	-	-	(14.11)
Security deposits						
Situations Advertising & Marketing Services Private Limited	-	-	50.00	-	-	50.00
	-	-	(50.00)	-	-	(50.00)
Prosperous Promoters Private Limited	-	-	28.11	-	-	28.11
	-	-	(28.11)	-	-	(28.11)
Others	3.00	-	9.10	-	-	12.10
	(3.00)	-	(9.10)	-	-	(12.10)
Total	3.00	-	87.21	-	-	90.21
	(3.00)	-	(87.21)	-	-	(90.21)
Franchisee income receivable (Refer note 1 below)						
Mainland China Restaurant (LLC)	-	-	-	3.30	-	3.30
	-	-	-	(2.96)	-	(2.96)
Total	-	-	-	3.30	-	3.30
	-	-	-	(2.96)	-	(2.96)
Advance to Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant (LLC)	-	-	-	12.50	-	12.50
	-	-	-	(12.78)	-	(12.78)
Total	-	-	-	12.50	-	12.50
	-	-	-	(12.78)	-	(12.78)

Notes

- These balances have been fully provided and have been disclosed as an exceptional item (refer note 41)
- Figures in parenthesis relate to the corresponding previous year figures in relation to the Consolidated Statement of Profit and Loss and the figures as at 31 March, 2017 in relation to the Balance Sheet
- Rent and other expenses are shown as net of indirect taxes
- Post retirement benefits is determined by the Company as a whole for all employees put together and hence disclosures of post employment benefits of Key management personnel is not separately available.

Note 38

First time adoption of Ind AS

a) Reconciliation of total equity

₹ In Millions

Particulars	Note	As at March 31, 2017	As at April 1, 2016 (date of transition)
Equity as reported under previous GAAP		2,773.95	3,037.73
Ind AS: Adjustments increase/(decrease):			
Lease rent equalisation adjustment	b	(42.16)	(66.24)
Unwinding effect of security deposits	a	(8.90)	-
Other adjustments		2.76	(7.49)
Tax impact on IND AS adjustments		15.97	24.37
Equity as reported under Ind AS		2,741.62	2,988.37



b) **Reconciliation of total comprehensive income for the year ended March 31, 2017**

Particulars	Note	For the year ended March 31, 2017
Loss as per previous GAAP		(263.78)
Ind AS: Adjustments increase/(decrease):		
Unwinding effect of security deposits	a	(8.90)
Share based payments measured at fair value	c	(2.91)
Reclassification to other comprehensive income arising from remeasurement of defined benefit obligation	d	(8.32)
Lease rent equalisation adjustment	b	24.08
Other adjustments		10.25
Tax impact on IND AS adjustments		(5.65)
Total adjustment to profit and loss		8.55
Loss as per Ind AS		(255.23)
Other comprehensive income (net of tax)	d	5.57
Total comprehensive income under Ind AS		(249.66)

c) There is no impact of Ind AS adoption on cash flows operating, investing and financial activities.

First time adoption of Ind AS (contd..)

Notes to the reconciliation

- a) Under the previous GAAP, interest free lease deposits were recorded at their transaction value. On transition to Ind AS, these lease deposits are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit and amortised cost is regarded as prepaid rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss, as applicable.
- b) Under the previous GAAP, in respect of certain leased properties, operating lease rentals were accounted on the basis of the ratio of forecasted sales over the balance lease period. On transition to Ind AS, the operating lease rents have been recognised as an expense on a straight-line basis over the lease term. The effect of these is reflected in total equity and / or profit or loss, as applicable.
- c) Under the previous GAAP, equity settled employee share-based payments were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled employee share-based payments is recognised based on the fair value of the options as on the grant date. The effect of these is reflected in total equity and/ or profit or loss as applicable.
- d) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the return on plan asset and actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

Note 39

(a) (i) **Income tax expense recognised in the Consolidated Statement of profit & loss**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Tax:		
In respect of current year	-	2.41
In respect of prior years	-	4.16
Deferred tax	222.61	(38.11)
Total	222.61	(31.54)

(a) (ii) **Unused tax losses**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:			
Unabsorbed depreciation	108.83	108.83	-
Long term capital loss	32.00	32.00	-
Total	140.83	140.83	-



Note: The accumulated long term capital loss would get expired during the year 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

(b) **Deferred tax**

- (i) Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence.
- (ii) Deferred tax assets/(liabilities) in relation to:

	As at 1 April 2016	Recognised in Total Comprehensive Income	As at 31 March 2017	Recognised in Total Comprehensive Income	As at 31 March 2018
Property, plant and equipment & Intangible assets	121.96	39.63	161.59	(161.59)	-
Provision for doubtful debts/advances	23.03	4.50	27.53	(27.53)	-
Provision for expenses	15.14	2.39	17.53	(17.53)	-
Investment in joint venture	(0.41)	0.70	0.29	(0.29)	-
FVTPL financial assets	(0.64)	(0.57)	(1.21)	1.21	-
Lease rent equalisation	21.90	(5.21)	16.69	(16.69)	-
Lease deposits	-	2.94	2.94	(2.94)	-
Others	3.52	(3.52)	-	-	-
Defined benefit obligation	-	(2.75)	(2.75)	2.75	-
Deferred tax assets/(liabilities) (net)	184.50	38.11	222.61	(222.61)	-

Note 40 The utilisation of IPO proceeds is summarised below:

₹ In Lakhs

	Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012	Spent upto March 31, 2015	Balance to be spent.	Variation in plan approved	Amount to spend post variation	Amount utilised upto March 31, 2018	Balance amount to be utilised
A	B	C	D	E	F	G	H
(i) Development of new restaurants	13,160	8,941	4,219	(4,219)	-	-	-
(ii) Development of new restaurants/ conversion of existing restaurants (Refer Note below)	-	-	-	5,785	5,785	3,554	2,231
(iii) Development of a food plaza	1,510	-	1,510	(1,510)	-	-	-
(iv) Repayment of term loan facilities	942	942	-	-	-	-	-
(v) General corporate purpose	105	105	-	-	-	-	-
(vi) Issue related expenses	1,892	1,836	56	(56)	-	-	-
Total	17,609	11,824	5,785	-	5,785	3,554	2,231

Note:

The amount shown in column (G) (ii) represents utilised amount after March 31, 2015 related to the objects disclosed in the prospectus dated May 22, 2012. ₹ 661 Lakhs was spent from April 1, 2015 upto the date of approval by the shareholders on November 27, 2015, which is included in total spend of ₹ 3,554 Lakhs.

Note 41 Exceptional Item

The exceptional item related to a provision of financial assets on account of restructuring pertaining to the joint venture company in Doha, Qatar. During the year, the Company along with the joint venture partner had entered into a Memorandum of Understanding (MOU) to sell specific portions of their shareholding in the joint venture company to include local expertise with a change in the format of the restaurant outlet to enable operations & profitability of the joint venture company to improve. However, owing to delay in complying with the terms and conditions of the MOU by the company, the said MOU was cancelled by the potential buyers. Consequently, the change in format of the restaurant outlet was abandoned and the joint venture company did not resume operations. Accordingly, the Company recognised an impairment loss of ₹ 15.80 million for diminution in value of company's receivables from the joint venture company.

Note 42

- (a) Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ Nil (Previous year: ₹ 1.9 Million)
- (b) Gross amount required to be spent during the period: ₹ Nil (Previous year: ₹ 2.19 Million).

Note 43

Disclosure of additional information as required by the Schedule III to the Companies Act, 2013 :

(a) As at and for the year ended March, 2018

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Millions	As % of consolidated profit or loss	Amount in Millions	As % of consolidated other comprehensive income	Amount in Millions	As % of consolidated total comprehensive income	Amount in Millions
Parent Company Speciality Restaurants Limited	100.50	2,290.64	95.89	(448.44)	100.00	3.69	95.86	(444.75)
Jointly venture company (Investments as per Equity Method) Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	(0.50)	(11.45)	4.11	(19.22)	-	-	4.14	(19.22)
Total	100.00	2,279.19	100.00	(467.66)	100.00	3.69	100.00	(463.97)

(b) As at and for the year ended March, 2017

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Millions	As % of consolidated profit or loss	Amount in Millions	As % of consolidated other comprehensive income	Amount in Millions	As % of consolidated total comprehensive income	Amount in Millions
Parent Company Speciality Restaurants Limited	102.84	2,819.46	85.61	(218.50)	100.00	5.57	85.29	(212.93)
Jointly venture company (Investments as per Equity Method) Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	(2.84)	(77.84)	14.39	(36.73)	-	-	14.71	(36.73)
Total	100.00	2,741.62	100.00	(255.23)	100.00	5.57	100.00	(249.66)

Note 44 Disclosure of Holdings as well as dealings in Specified Bank Notes:

Pursuant to the notification dated 30th March, 2017 issued by the Ministry of Corporate Affairs (MCA), the Company has to disclose the holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Also pursuant to another notification issued by MCA on the same date amending the Schedule III of the Companies Act, 2013 requiring the company to disclose the details of Specified Bank Notes held and transacted during the period from 8 November, 2016 to 30 December, 2016 . The details are as given below:

₹ In Millions

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	4.40	0.29	4.69
(+) Permitted receipts	-	66.93	66.93
(-) Permitted payments	-	10.32	10.32
(-) Amount deposited in Banks	4.40	52.33	56.73
Closing cash in hand as on December 30, 2016	-	4.57	4.57

This disclosure pertains to the year ended 31 March 2017. A similar disclosure for the year ended 31 March 2018 is not required.

Note 45 Approval of Consolidated financial statements

The Consolidated financial statements were approved for issue by the board of directors on 26 May 2018.



Form AOC - 1

Statement to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013

read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part "A"

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary company

Sl. No.	Name of the Subsidiary	Speciality Hospitality UK Limited
1	The date since when subsidiary was incorporated / acquired	Speciality Hospitality UK Limited was incorporated as a private limited company, limited by shares on August 22, 2017
2	Exchange Rate	Not applicable
4	Share capital	100 ordinary shares of 1 GBP each.
5	Reserves and surplus	Not applicable
6	Total assets	Not applicable
7	Total Liabilities	Not applicable
8	Investments	Not applicable
9	Turnover	Not applicable
10	Profit / (Loss) before taxation	Not applicable
11	Provision for taxation	Not applicable
12	Profit / (Loss) after taxation	Not applicable
13	Proposed Dividend	Not applicable
14	Extent of shareholding (in percentage)	100%

Notes:

- Names of subsidiaries which are yet to commence operations: Speciality Hospitality UK Limited
- Names of subsidiaries which have been liquidated or sold during the year – Not applicable.

Part "B"

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture company

Sl. No.	Name of the Joint Venture	Mainland China and Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
1	Latest audited Balance Sheet Date	March 31, 2018
2	Date on which the Joint Venture was associated or acquired	Mainland China and Indigrill Restaurant LLC was incorporated on January 31, 2014
3	Shares of Joint Venture held by the Company on the year end – Amount of Investment in Joint Venture	The Company had invested 4,90,000 QAR (Qatari Riyal) in the Joint Venture Company by way of subscription of 490 fully paid up equity shares of QAR 1000 each in the Joint Venture Company
	Extent of Holding in Percentage	49%
4	Description of how there is significant influence	As per joint venture agreement
5	Reason why the joint venture is not consolidated	The Joint Venture is Consolidated in Consolidated financial statement and are forming part of Annual Report, 2018
6	Net worth attributable to shareholding as per as as per latest audited Balance Sheet	(6,76,750.27) QAR
7	Profit / (Loss) for the year	
	Considered in Consolidated	(10,84,608.14) QAR
	Not considered in Consolidation	(11,28,877.86) QAR

Notes:

- Names of associates / joint ventures which are yet to commence operations – Not applicable
- Names of associates / joint ventures which have been liquidated or sold during the year – Not applicable.

For and on behalf of the Board of Directors

Anjan Chatterjee

Chairman and Managing Director
DIN : 00200443

Ullal Ravindra Bhat

Director
DIN : 00008425

Rajesh Kumar Mohta

Executive Director - Finance
& Chief Financial Officer

Dushyant Mehta

Director
DIN : 00126977

Avinash Kinhikar

Company Secretary & Legal Head

Place: Mumbai

Date: 26 May, 2018





**SPECIALITY
RESTAURANTS -
A JOURNEY
OF PASSION**





SPECIALITY

RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED

If undelivered please return to:
Link Intime India Private Limited

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

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