



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

July 30, 2019

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

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

Scrip Code: 534425

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, 2019.

Pursuant to Regulation 34 of the Listing Regulations, we enclose herewith a copy of the Annual Report of the Company for the financial year ended March 31, 2019.

The Annual Report for the financial year 2018-19 is uploaded on the website of the Company at www.speciality.co.in.

You are requested to kindly take the same on record.

Kindly acknowledge the receipt.

Thanking you,

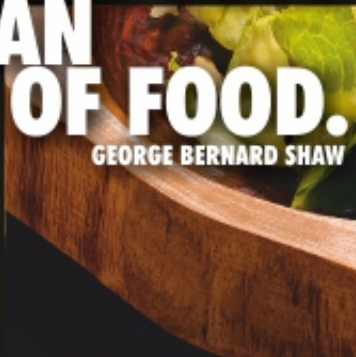
Yours sincerely,
For **Speciality Restaurants Limited**


Authorized Signatory



Name: Avinash Kinhikar
Designation: Company Secretary & Legal Head

Encl: As above.



**THERE IS
NO SINCERER LOVE
THAN
THE LOVE OF FOOD.**
GEORGE BERNARD SHAW

Annual Report 2019



SPECIALITY
RESTAURANTS LTD.

MAKING YOU FEEL SPECIAL





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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.

Curtain Raiser

What does one do after successfully crossing a milestone of 25 years? Start all over again! And that's exactly what we did at Speciality Restaurants Ltd. but with more determination, with renewed focus to beat the odds and better all what we did over the last 25 years.

We, at all our restaurants, have always believed that "There is no sincerer love than the love of food – George Bernard Shaw". We all know that food is the basic need of every human being and we strive to meet that need in the most satisfying way. More than three thousand two hundred associates at Speciality Restaurants bring this belief to work everyday, creating a special dining experience for all our guests and stake holders bringing joy and happiness in their lives.

Speciality Restaurants Ltd. is the largest chain of restaurants in the fine dining sector with restaurants across India, UAE, Sri Lanka, Bangladesh and Tanzania. Our flagship brand "Mainland China" serves authentic cuisine of Chinese provinces while

it's refreshed version, Asia Kitchen serves pan-Asian cuisine in a semi-casual dining format. Gong and Progressive Oriental House (POH) are the other newer brands of similar genre, serving Pan-asia cuisine but in fine dining formats with value offerings to different target audience.

The group's power brands include Oh! Calcutta serving authentic 300 year old flavours of Calcutta, Sigree Global Grill offering unlimited serving of global grilled flavours over live grillers on each table while Sweet Bengal serves authentic Bengali sweets made with pure cow's milk by artisans from Bengal. In it's portfolio the group also has a casual dining format in the form of Café Mezzuna all day bar and kitchen and Hoppipola as a playful bar and kitchen for the young millennials.

Other brands of the group are Haka, Flame & Grill, Machaan, Zoodles, Jungle Safari, Dariole (confectionery) with a number of most recent additions like Episode One, Riyasat and Hay.

Anjan Chatterjee
Chairman & Managing Director



Chairman & Managing Director's Perspective

Dear Shareholders,

I am pleased to share your Company's performance for the financial year 2018-19. Last year has seen the early signs of a turnaround with the hope of sustained growth in the coming years. Opportunities in food and beverage sector in India continue to remain very attractive, bolstered by secular trends of a young population, growing affluence, rising urbanisation, increase in disposable income, growth of organised retail and burgeoning digital connectivity – all of which are driving consumption. Your Company's strong and versatile portfolio of brands, cuisines, personalized service and understanding of guest experience has enabled us to deliver the current performance and build an enduring presence in the minds of your customers.

Your Company continues to place their mission at the heart of the business as they believe that brands with purpose grow; companies with purpose last; and people with purpose thrive. In the year under review, for the first time your company achieved a turnover of over Rs. 350 crores, registering a growth of 16.78% as against the previous year. The EBITDA margins were 6.6%, registering a growth of 170% as against the previous year.





The increase in revenue from operations was mainly due to the same store sales growth of 12.5% and contributions from new units launched during the year.

Your Company's success depends on the value and relevance of its brands and products to consumers and on its ability to innovate and remain competitive. Your Company's ability to identify change in consumer tastes, preferences and behaviours and respond to these changes are vital to its business success.

Your Company launched a number of new brands viz. 'Episode One' at Kolkata, as an extremely high profile modern wet-led format; 'Riyasat' at South City Mall, Kolkata, a fine dining restaurant offering royalty inspired Indian cuisine. Also to appeal to millennials launched 'Hay' at Begumpet, Hyderabad (converting Kibbeh) as a high energy conversational and drinking space. The initial response of these new brands launched are very positive and encouraging. Meanwhile the existing established brands viz. 'Mainland China', 'Asia Kitchen by Mainland China', 'Oh! Calcutta', 'Sigree Global Grill', 'Café Mezzuna',

'Gong', 'Flame & Grill', 'Hoppipola', 'POH' as well as confectionary brands, 'Sweet Bengal' and 'Dariole' improved their performance attracting new customers.

Your Company continued to counter the challenges faced for the last three years with measures such as menu re-structuring, back-to-basics training starting from the kitchen, aggressive cost control initiatives, focus on delivery while pursuing the initiative of making pleas to the government as a part of National Restaurant Association of India for re-introduction of input tax credit.

Having successfully combat the challenges of the last few years, your Company has made some exciting forays into international markets. The Mainland China Asia Kitchen, Dubai has been receiving tremendous response and there are already expressions of interest in expanding into other regions in the Middle East like Muscat and Bahrain. The recently launched Hoppipola in Dar-es-Salaam, Tanzania is already creating a buzz even at such an early stage. An experimental pop-up of the Indian cuisine restaurant – Riyasat in Doha, was so successful that



there is an expressed opportunity of a long term franchise of the brand at St Regis Hotel, Doha.

Your Company's initiative in London recognises the interest and need for Indian flavours in an increasingly global palate and expect the first London restaurant to be launched during the coming year.

The USA is yet another destination where your Company has seen a lot of interest in its dining formats and brands. The enormous Indian diaspora have shown an overwhelming interest in the flagship brand Mainland China and also Oh! Calcutta having a presence there. Your Company is exploring opportunities in these regions and is optimistic about seeing the fructification of some of these in the coming years.

Home delivery is yet another area that is rapidly growing. Your company is also exploring ideas of Cloud Kitchens to capitalise on this space in conjunction with delivery partners, as well as cuisine that lends itself best to this format.

Your Company believes that the turbulence of the last year is behind us except for the withdrawal of

ITC (input tax credit). However your Company has countered the headwinds better with innovation and resilience. Your Company is optimistic about the future and confident about harnessing newer growth opportunities in food services industry that will enable your Company to continually move towards sustainable growth and profitability to stay ahead of the curve.

I would like to take this opportunity to thank each and every person who has reposed their faith in us, employees, partners, customers and all stakeholders for their commitment and service to Speciality Restaurants. I would also like to thank the Board of Directors for their unstinted support.

Most importantly, I would like to thank you, shareholders, for your overwhelming trust, support and confidence in Speciality Restaurants Limited.

Warm Regards,

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 Brands

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 39 outlets across 20 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 over 25 years. The overwhelming popularity has taken the brand to international destinations viz. Tanzania, Bangladesh and 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 Brands

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 specialties, 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 skillful 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 ‘Indian Night Life Conventions and Awards’ in the category of Café Bar of the year.



Other Brand

gong
modern asia



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.



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.

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.



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.

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.

New Brands

RIYASAT



Riyasat

Riyasat is usually an Arabic word which means “Estate” or “Empire”. Infused with a ‘contemporary’ Indian cuisine – Riyasat is a story woven through royal celebrations and victories and is inspired from the stately homes of the royal families of the 19th century. The cuisine, as conceptualised and curated by our Master Chef Surjan Singh Jolly, is inspired from the North-western frontiers that is vibrant, robust and encompasses the healthier culinary techniques and dining experiences to blend in with the changing time and trends. It also boasts of crafted beverages curated by mixologists, embracing the past with twists on classics – creating a theatrical mood where you can sit and just immerse into the experience. It is now open at South City Mall, Kolkata.



EPISODE ONE



Episode One

Fusing a legacy that has been around for three decades with innovation & all things new, Episode One is a one of a kind experiential bar and dining space in Kolkata. It is a modern day take on the Gymkhanas and Clubs of yesterday, thereby making it a space for the conventional and unconventional people of today - a space meant for everyone. It desires to build a creative community bringing together like minded individuals from all walks of life including art, music, fashion, films, media, technology and more. With state-of-the art interiors, Episode is divided into 4 experiences – The Tap Room, The Library, The Chambers, The Veranda and The Ballroom. With one of its kind, first in its class TAPROOM in the country, it offers a unique and bespoke range of cocktail tanks as well as world cuisine with satisfactory palettes from Indian, Turkish, Continental, Thai & Asian food. Episode stands for yesterday's positives (nostalgia) paired with today's lifestyle & trends and how the contrast eventually works together to bring out the simplistic feelings in humanity. Episode One is defined by everything it isn't.

HAY



Hay

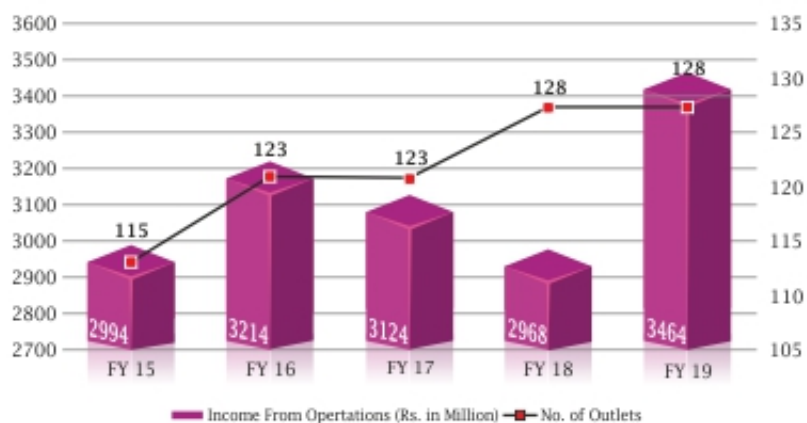
HAY is a re-discovered bar transformed by the millennial into high energy conversational and drinking space. Inspired by the Nizami culture, HAY has blue undertones & Mughal frames merged with today's lingo. It has a light-filled and inviting look – a place you can dine at during the day and which turns into your favourite resto-bar in the evening.

HAY comprises comfort food recipes with local twists satisfactory palettes ranging from Indian, Italian, Mexican, Lebanese, Seafood and Tibetan food. The menu at HAY has an enjoyable blend of global desi cuisine. The drinks menu is quite expansive wherein the cocktails make use of the freshest of fruits, spices and liqueurs to achieve a perfect harmony of flavours. It is now open in Begumpet, Hyderabad.

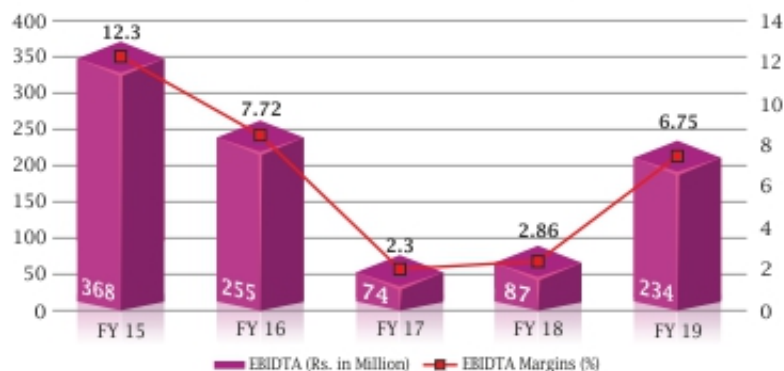


What the numbers say

Total Income from Operation and Outlets

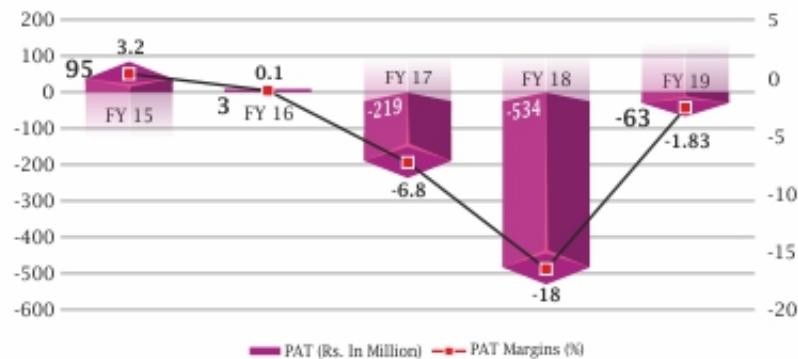


EBIDTA and EBIDTA Margins

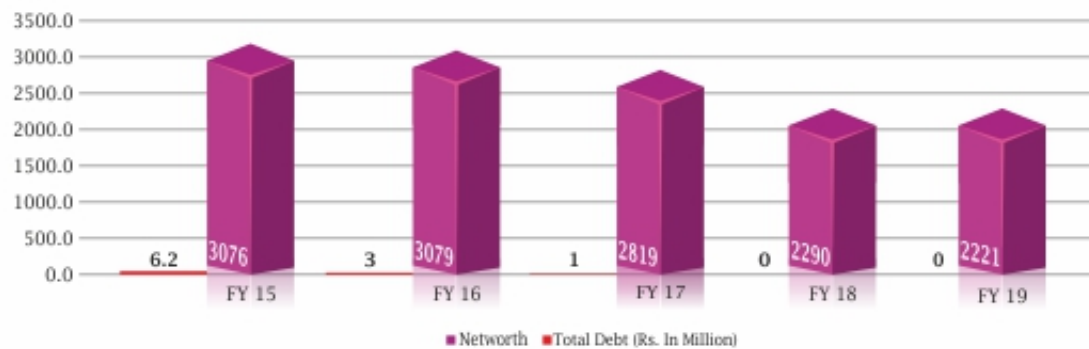




PAT and PAT Margins



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

Mr. 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.

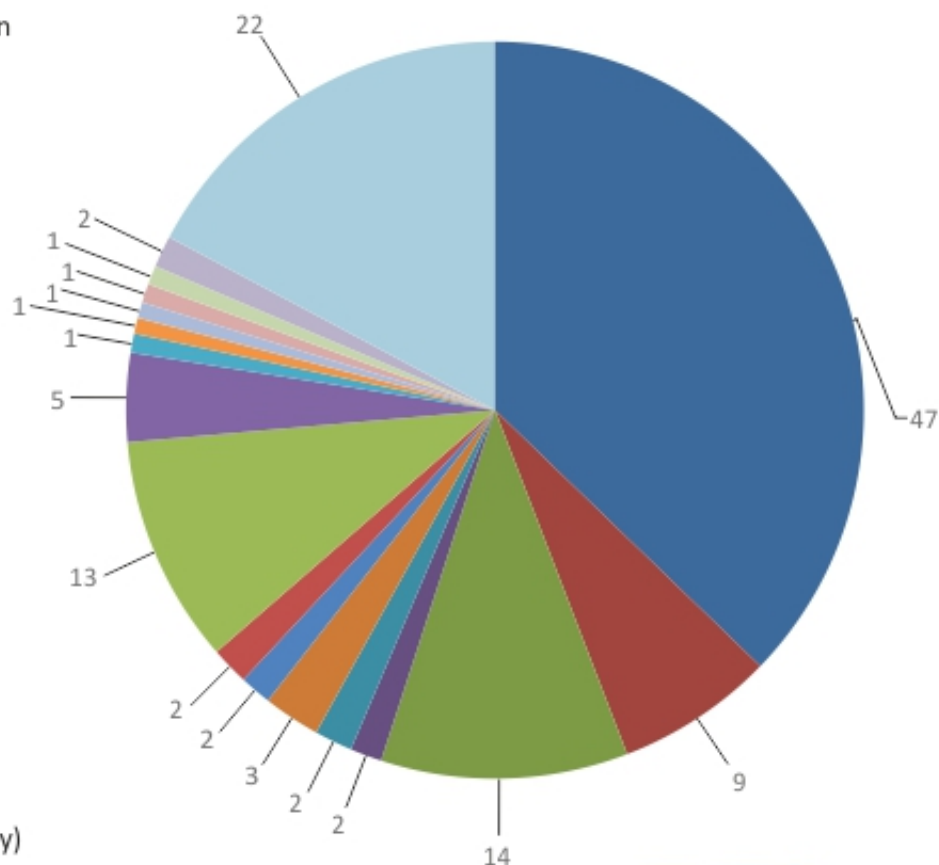
He is a well-rounded professional with multi-functional, multi domain experience, and an entrepreneurial and challenge oriented mindset. He has worked in the industries ranging from Chemicals, FMCG, Healthcare and Wellness, Retail, Start Up in the roles ranging from Manufacturing, Projects, Chief of 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, 2019

- Mainland China & Mainland China Asia Kitchen & Asia Kitchen & Bar
- Oh! Calcutta
- Sigree & Sigree Global Grill
- Haka
- Machaan
- Flame & Grill
- Kix, Kibbeh
- Café Mezzuna
- Hoppipola
- Zoodles (Asian Street Wok)
- Gong
- POH
- Jungle Safari
- SPICERY
- Calcutta Canteen
- Dariole
- Sweet Bengal (Confectionary)





Brands

Mainland China and Mainland China
Asia Kitchen

Oh! Calcutta

Sigree and Sigree Global Grill

Haka

Machaan

Flame & Grill

Café Mezzuna

Hoppipola

Kix and Kibbeh

Zoodles (Asian Street Wok)

Gong-Modern Asian

POH

Jungle Safari

SPICERY

Calcutta Canteen

Dariole

Sweet Bengal (Confectionary)

Key Cities

20 cities in India and one in Dhaka, Bangladesh, one in Dar es Salaam, Tanzania, one in Colombo and one in Dubai

Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad

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

Kolkata

Ranchi and Howrah

Hyderabad and Kolkata

Kolkata

Bengaluru, Chennai, Pune, Kolkata, Ranchi and Mumbai

Kolkata and Hyderabad

Mumbai

Pune

Mumbai

Kolkata

Kolkata

Kolkata

Kolkata

Mumbai

COMPANY INFORMATION

Board of Directors

Anjan Chatterjee	Chairman & Managing Director
Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)
Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)
Dushyant Mehta	Independent Director
Ullal R. Bhat	Independent Director
Rakesh Pandey	Independent Director

Board Committees

Audit Committee

Ullal R. 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 R. Bhat	
Rakesh Pandey	

Corporate Social Responsibility Committee

Dushyant Mehta	(Chairman)
Suchhanda Chatterjee	
Ullal R. Bhat	

Management Team

Anjan Chatterjee	Chairman & Managing Director
Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)
Indranil Chatterjee	Whole-time Director (Director-Commercial Operations)
Phiroz Sadri	Chief Operating Officer
Rajesh Dubey	Chief-of-Cuisine
Rajesh Kumar Mohta	Executive Director- Finance & CFO

Company Secretary & Legal Head

Avinash Kinikar

Statutory Auditors

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

Secretarial Auditors

GMJ & Associates
Company Secretaries
3rd & 4th Floor, Vaastu Darshan "B",
Above Central Bank of India,
Azad Road, Andheri (East),
Mumbai - 400 069.

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) 2596 0329
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

**20th Annual General Meeting at
Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017
on Friday, August 23, 2019 at 11.00 a.m.**



NOTICE

Notice is hereby given that the 20th Annual General Meeting (the “AGM”) of the members of **SPECIALITY RESTAURANTS LIMITED** (the “Members” and such Company, the “Company”) will be held on Friday, August 23, 2019 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, 2019, 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, 2019, together with the Auditor’s Report thereon.
3. To appoint a Director in place of Mrs. Suchhanda Chatterjee (DIN: 00226893), who retires by rotation and being eligible, has offered herself for re-appointment.
4. **Appointment of Statutory Auditors:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the “Companies Act”) read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration Number: 117366 W/W-100018), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Twenty Fifth AGM to be held in the year 2024 (subject to ratification of their appointment by the Members at every intervening AGM held after this AGM as may be required under the Companies Act), and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined and recommended by the Audit Committee of the Board of Directors in consultation with the auditors in addition to reimbursement of all out of pocket expenses including applicable taxes as may be incurred by them during the course of the audit;

RESOLVED FURTHER THAT Mr. Anjan Chatterjee, Chairman and Managing Director, Mrs. Suchhanda Chatterjee, Director-Interior and Design, Mr. Indranil Chatterjee, Director-Commercial Operations and Mr. Avinash Kinkhikar, Company Secretary and Legal Head be and are hereby severally authorized 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.”

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Dushyant Mehta (DIN: 00126977) as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), Mr. Dushyant Mehta (DIN: 00126977), who was appointed as an Independent Director of the Company up to March 31, 2019, being eligible and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years with effect from April 1, 2019 up to March 31, 2024.”

6. **Ratification of remuneration paid to Mrs. Suchhanda Chatterjee pursuant to the Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 197(1) and 198 of the Companies Act, 2013, as amended (the “Companies Act”), Schedule V of the Companies Act, Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to such consents and permissions as may be required for amendment to the ordinary resolution passed at the annual general meeting of the Company held on August 27, 2018, for the re-appointment and remuneration payable to Mrs. Suchhanda Chatterjee (DIN : 00226893) as the Whole-time Director (designated as Director-Interior and Design) of the Company, consent of the Members of the Company be and is hereby accorded by way of Special Resolution for the approval of the remuneration received by Mrs. Suchhanda Chatterjee under Sections 197(1) of the Companies Act and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the period from September 1, 2018 to March 31, 2019 and remuneration to be paid in terms of resolution passed at the annual general meeting of the Company held on August 27, 2018, as set out in the Explanatory Statement annexed to the Notice, for the remainder of the tenure of her appointment (i.e. including and up to June 30, 2021), as approved by Nomination and Remuneration Committee and Board at the Meeting of Board of Directors of the Company held on May 29, 2019;

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."

7. Ratification of remuneration paid to Mr. Indranil Chatterjee pursuant to the Companies (Amendment) Act, 2017:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197(1) and 198 of the Companies Act, 2013, as amended (the "**Companies Act**"), Schedule V of the Companies Act, the Articles of Association of the Company and subject to such consents and permissions as may be required for amendment to the ordinary resolution passed at the annual general meeting of the Company held on August 27, 2018, for the re-appointment and remuneration payable to Mr. Indranil Chatterjee (DIN : 00200577) as the Whole-time Director (designated as Director-Commercial Operations) of the Company, consent of the Members of the Company be and is hereby accorded by way of Special Resolution for the approval of the remuneration received by Mr. Indranil Chatterjee under Sections 197(1) of the Companies Act, during the period from September 1, 2018 to March 31, 2019 and remuneration to be paid in terms of resolution passed at the annual general meeting of the Company held on August 27, 2018, as set out in the Explanatory Statement annexed to the Notice, for the remainder of the tenure of his appointment (i.e. including and up to June 30, 2021), as approved by Nomination and Remuneration Committee and Board at the Meeting of Board of Directors of the Company held on May 29, 2019;

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 or 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."

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

**Avinash Kinikar
Company Secretary and Legal Head**

Place: Mumbai.

Date: June 24, 2019

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 and the rules (the “**Companies Act**” and such statement, the “**Explanatory Statement**”) made thereunder setting out the material facts in respect of the business under item nos. 5, 6 and 7 to be transacted at the 20th annual general meeting (“**AGM**”), as set out in the notice to the AGM (the “**Notice**”) 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 Morja 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 Saturday, August 17, 2019 to Friday, August 23, 2019 (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 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 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. 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 2018-19 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 2018-19 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 2018-19 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 Tuesday, August 20, 2019 (from 09:00 a.m. Indian Standard Time, “**IST**”) and ends on Thursday, August 22, 2019 (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 Friday, August 16, 2019 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 Friday, August 16, 2019.
- (f) The Board has appointed M/s. T. Chatterjee & Associates, Practicing Company Secretaries firm (ICSI - Firm Unique Code No.: P2007WB067100) (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 Tuesday, August 20, 2019 at 09:00 a.m. (IST) and ends on Thursday, August 22, 2019, 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 Friday, August 16, 2019, 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. Friday, August 16, 2019, 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. In terms of Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide Gazette notification dated June 8, 2018 and the Securities and Exchange Board of India Notification dated November 30, 2018, which has mandated that the request for transfer of shares will be processed only if the shares are held in dematerialised form (DEMAT) (except in case transmission or transposition of shares) with effect from April 1, 2019. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience.
21. In terms of Securities and Exchange Board of India Circulars No. SEBI/HO/MIRSD/DOP1/CIR /P/2018/73 dated 20th April 2018 by which it has directed all the listed companies to record the PAN of all the shareholders and Bank Account details of registered shareholder. The Company has sent intimations to eligible shareholders to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members’ register.
22. 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”.

Additional information with respect to Item No. 4

Item No. 4: Appointment of Statutory Auditors:

1. This information is provided as an additional information to the Members.
2. M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018) was appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (“AGM”) of the Company held on September 15, 2014, from the conclusion of the 15th AGM until the conclusion of the 20th AGM to be held in the year 2019.
3. M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018), would be completing their second term as Statutory Auditors of the Company as per the provisions of the Companies Act upon conclusion of 20th AGM of the Company.
4. The Board of Directors (the “Board”) has recommended the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) to act as Statutory Auditors of the Company, in place of retiring Auditors M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to hold office for a term of five (5) years from the conclusion of Twentieth Annual General Meeting until the conclusion of the Twenty Fifth AGM of the Company, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses including applicable taxes as may be incurred by them during the course of the audit. In terms of the requirements of the present proviso to Section 139(1) of the Companies Act, the appointment of the new Auditors shall be subject to ratification by the Members at every intervening AGM held after this AGM, if required under Companies Act.
5. Brief Profile of Statutory Auditors is as under:
M/s. Singhi & Co., Chartered Accountants (FRN 302049E) is a Partnership firm which has been in profession for over seven decades. The firm has 7 locations, 25 partners and more than 500 people across the country in Mumbai, Kolkata, Delhi, Chennai, Bangalore, Ahmedabad and Guwahati. The firm audits several mid to large companies including several listed companies across India. The firm is also a member of Moore Stephens International, a leading global accounting network.
6. M/s. Singhi & Co., Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act.
7. None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 4 of the Notice.
8. The Board recommends the Resolution set out under Item No.4 of the accompanying Notice for approval of Members as an Ordinary Resolution.

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 No. 5, 6 and 7 of the Notice dated June 24, 2019.

Item No. 5: Re-appointment of Mr. Dushyant Mehta (DIN: 00126977) as an Independent Director of the Company:

1. Mr. Dushyant Mehta (DIN: 00126977) was appointed as an Independent Director of the Company with effect from April 1, 2014 for a period of five (5) years up to March 31, 2019. The Members of the Company at the AGM held on September 15, 2014, approved appointment of Mr. Dushyant Mehta as an Independent Director of the Company for a term of five years with effect from April 1, 2014 upto March 31, 2019 (“First Term”), not liable to retire by rotation.
2. The term of office of Mr. Dushyant Mehta as an Independent Director was up to March 31, 2019. The Nomination and Remuneration Committee, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Dushyant Mehta as an Independent Director of the Company for a second term of five (5) consecutive years on the Board of the Company.
3. The Board of Directors of the Company at their meeting held on March 29, 2019, on recommendation of Nomination and Remuneration Committee of the Company, re-appointed Mr. Dushyant Mehta (DIN: 00126977) as an Independent Director of the Company for second term of five (5) consecutive years commencing from April 1, 2019 up to March 31, 2024, subject to approval of the Members of the Company.
4. The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Dushyant Mehta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Dushyant Mehta as an Independent Director of the Company, not liable to retire by rotation, for a second term of five(5) consecutive years on the Board of the Company.
5. Mr. Dushyant Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act and has given his consent to act as a Director. He is not debarred from holding the office of Director by virtue of any SEBI Order or any other authority.
6. The Company has also received declaration from Mr. Dushyant Mehta that he meets the criteria of Independence as prescribed both under Section 149(6) of the Companies Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).
7. The Company has received Notice in writing from a Member under Section 160 of the Companies Act, proposing the candidature of Mr. Dushyant Mehta, for the office of Director of the Company.

8. Details of Mr. Dushyant Mehta, seeking re-appointment as an Independent Director of the Company, as required under 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 are provided in the "Annexure" to the Notice.
9. Mr. Dushyant Mehta shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission as may be approved by the Members.
10. The matter regarding the re-appointment of Mr. Dushyant Mehta as an Independent Director was placed before the Board, based on the recommendation of the Nomination and Remuneration Committee, which commends his re-appointment as an Independent Director of the Company.
11. The terms and conditions of the re-appointment and copy of draft letter of re-appointment of Mr. Dushyant Mehta shall be open for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day of the Company up to the date of the AGM.
12. In the opinion of the Board, Mr. Dushyant Mehta fulfils the conditions specified in the Companies Act and the rules made thereunder for re-appointment as an Independent Director and is independent of the management of the Company.
13. Save and except Mr. Dushyant Mehta and his relatives to the extent of their shareholding interest, if any, in the Company, none of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 5 of the Notice.
14. The Board recommends the Resolution set out under Item No. 5 of the accompanying Notice for approval of Members as a Special Resolution.

Item No. 6 and 7: Ratification of Remuneration paid to Whole-time Directors of the Company pursuant to the Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

15. Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee were re-appointed as Whole-time Directors of the Company at the meeting of the Board held on May 26, 2018 for a period of three years with effect from July 1, 2018 to June 30, 2021.
16. At the annual general meeting held on August 27, 2018, the Members had approved separate Ordinary Resolution for the re-appointment and terms of remuneration payable to Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee. The term of office of Mrs. Suchhanda Chatterjee and Mr. Indranil Chatterjee as Whole-time Director is upto June 30, 2021.
17. Section 197(1) of the Companies Act was amended by the Companies (Amendment) Act, 2017 (Amendment was made effective from September 12, 2018), inter alia included requirement of obtaining a Special Resolution of Members of the Company in respect of payment of Remuneration to Whole-time Director of the Company in case of absence or inadequacy of profits of the Company in any financial year.
18. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, was inserted with effect from April 1, 2019, which provides that the approval of the shareholders by way of a Special resolution in a general meeting shall be obtained in the event the annual remuneration payable to executive directors who are promoters or member of the promoter group exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.
19. Pursuant to Companies (Amendment) Act, 2017 (Amendment effective from September 12, 2018), in view of the inadequacy of profits of the Company for the financial years 2017-18 and 2018-19 and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company seeks the approval of the Members for ratification of remuneration paid to Mrs. Suchhanda Chatterjee, one of the promoter of the Company and Whole-time Director (designated as Director – Interior and Design) of the Company, for the period September 1, 2018 upto March 31, 2019 and remuneration to be paid in terms of resolution passed at the annual general meeting of the Company held on August 27, 2018, for the remainder of the tenure of her appointment (i.e. including and up to June 30, 2021), as recommended by Nomination and Remuneration Committee and approved by Board of Directors at the Meeting held on May 29, 2019.
20. Pursuant to Companies (Amendment) Act, 2017 (Amendment effective from September 12, 2018) and in view of inadequacy of profits for the financial years 2017-18 and 2018-19, the Company seeks the approval of the Members for ratification of remuneration paid to Mr. Indranil Chatterjee, Whole-time Director of the Company, for the period September 1, 2018 upto March 31, 2019 and remuneration to be paid in terms of resolution passed at the annual general meeting of the Company held on August 27, 2018, for the remainder of the tenure of his appointment (i.e. including and up to June 30, 2021), as recommended by Nomination and Remuneration Committee and approved by Board of Directors at the Meeting held on May 29, 2019.

21. Details of Remuneration paid during the period from September 1, 2018 to March 31, 2019 and payable during the remainder of the tenure of their respective appointment as approved by the Members of the Company at the annual general meeting of the Company held on August 27, 2018 and in terms of Letter of Appointment issued to both the Whole-time Directors of the Company:

Particulars / Name of the Director	Mrs. Suchhanda Chatterjee	Mr. Indranil Chatterjee
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.	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.
Allowances	House Rent Allowance: ₹ 43,750/- per month; and 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.	House Rent Allowance: ₹ 43,750/- per month; and 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.
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.	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.
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.	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.
Remuneration paid during the period September 1, 2018 to March 31, 2019	₹ 12,25,000/-	₹ 12,25,000/-

22. 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) for the remuneration paid to her, to the extent of shares held and the related party transactions entered into with the Company in which she is interested, are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 6 of the Notice.
23. None of the Directors of the Company or Key Managerial Personnel or their relatives except Mr. Indranil Chatterjee for the remuneration paid to him, the extent of shares held, are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 7 of the Notice.
24. The Board recommends the resolution as set out under Item No. 6 and 7 of the accompanying Notice for approval of the Members to be passed as Special Resolution.

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

Place: Mumbai.

Date: June 24, 2019

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

Avinash Kinkhikar
Company Secretary and Legal Head

**Details of the Director seeking appointment / re-appointment at the 20th 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)**

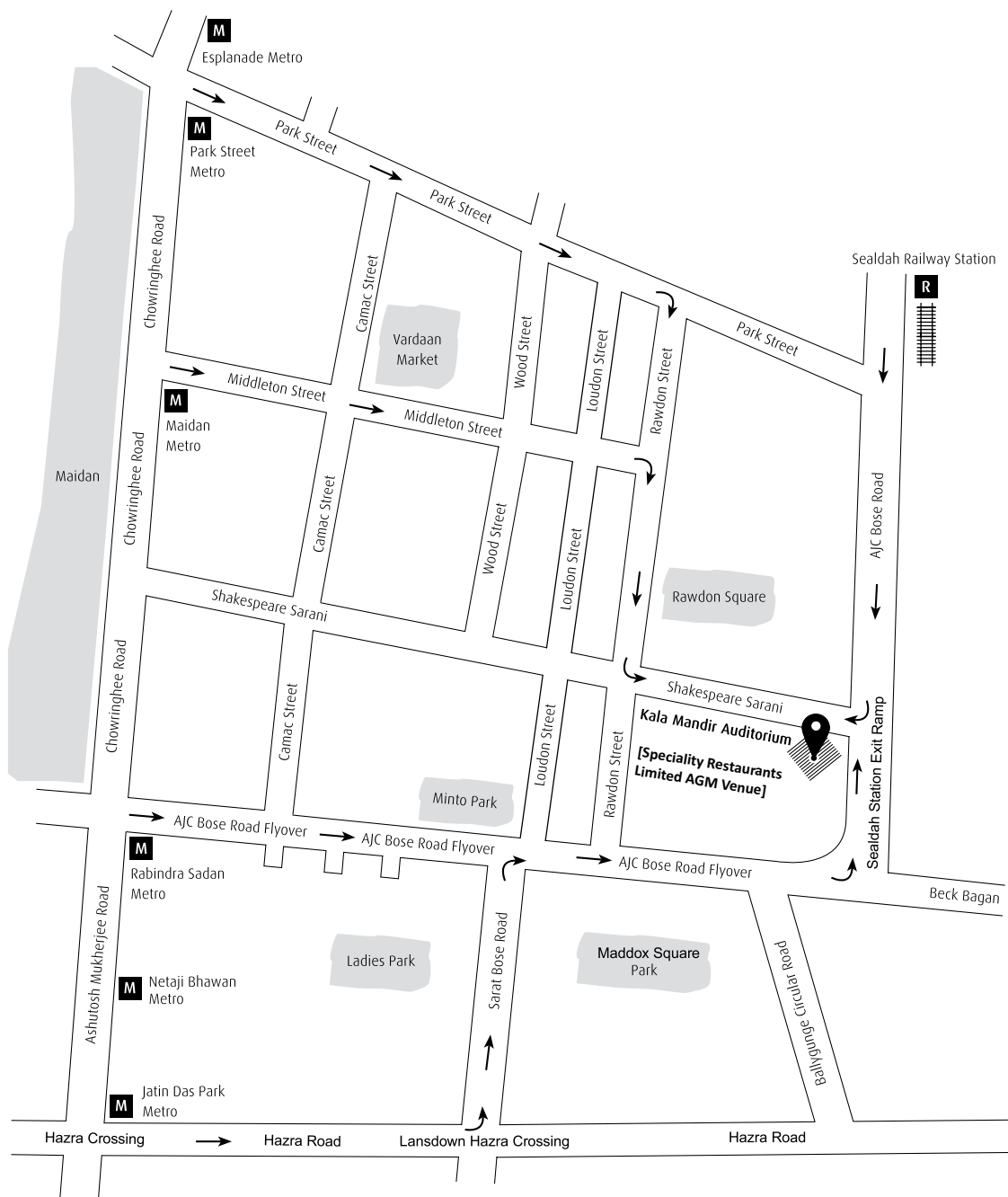
Name of the Director	Mrs. Suchhanda Chatterjee	Mr. Dushyant Mehta
Director Identification Number (DIN)	00226893	00126977
Date of Birth and Age	October 9, 1965, 53 years	October 2, 1955, 63 years
Date of First Appointment on the Board	December 1, 1999	August 18, 2009 April 1, 2014 – As an Independent Director
Qualifications	B.A.	Master's Degree in Business Administration
Brief Resume	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.	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.
Current Designation	Whole-time Director designated as Director-Interior & Design.	Independent Director
Nature of expertise in specific functional areas	Over 20 years of experience in the Hospitality industry.	Over 25 years of experience in marketing, advertising and sales with a focus on brand building, strategy and account planning.
Details of other Directorships/Membership/Chairmanships of the Committees of other Boards*		
(i) Names of listed entities in which the person holds the Directorship and	-	Repro India Limited – Non-Executive Non-Independent Director
(ii) the Membership of Committees of the Board **	-	Repro India Limited – Audit 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 Mr. Anjan Chatterjee, Chairman & Managing Director of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company or their relatives.
No. of shares held in the Company	1,19,70,000	1,280

Name of the Director	Mrs. Suchhanda Chatterjee	Mr. Dushyant Mehta
Terms and conditions of appointment	Not applicable since the Whole-time Director retires by rotation.	Refer Item No. 5 of the AGM Notice
Details of remuneration sought to be paid	Members have already approved Ordinary Resolution for re-appointment of Mrs. Suchhanda Chatterjee as a Whole-time Director (designated as Director – Interior and Design) of the Company for a period of three years with effect from July 1, 2018 up to June 30, 2021 at the 19th AGM held on August 27, 2018.	Refer Item No. 5 of the AGM Notice
Last drawn remuneration	₹ 21,00,000/- for the financial year 2018-19.	Mr. Dushyant Mehta will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which he is a member/ Chairman and Profit related commission which may be approved by the Board of Directors.
No of meetings of the Board attended during the financial year 2018-19	4 Meetings	6 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 20th AGM Venue of Speciality Restaurants Limited



DIRECTORS' REPORT

To,
The Members
Speciality Restaurants Limited

Your Directors hereby present the Twentieth Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2019.

1. Financial Results

₹ In Millions

Particulars	Standalone		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue from operations	3,463.6	2,967.9	3,463.6	2,967.9
Other Income	94.6	79.0	94.6	79.0
Total Income	3,558.2	3,046.9	3,558.2	3,046.9
Earnings before Interest, Depreciation, Amortization and Tax	233.7	86.6	219.3	86.6
Less:				
Finance Costs	0.0	0.0	0.0	0.0
Depreciation /Amortization/Impairment	287.0	296.6	287.0	296.6
Loss before exceptional item and tax	(53.3)	(210.0)	(67.8)	(210.0)
Share of loss in Joint venture company	-	-	(0.2)	(19.2)
Loss before exceptional item and tax	(53.3)	(210.0)	(68.0)	(229.3)
Less: Exceptional item	-	101.4	-	15.8
Loss before Tax	(53.3)	(311.4)	(68.0)	(245.0)
Less: Taxes Expenses / (credit)				
Current Tax	9.0	-	9.0	-
Deferred Tax	-	222.6	-	222.6
Short provision for tax relating to prior years	1.1	-	1.1	-
Loss for the year	(63.4)	(534.1)	(78.1)	(467.7)
Total other comprehensive (loss) / income	(4.5)	3.7	(5.3)	3.7
Total comprehensive loss for the period	(67.9)	(530.4)	(83.4)	(463.9)

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

Currently, India is the seventh largest economy in the world and continues to be one of the fastest growing economies. It is expected to become the fifth largest economy by 2023 with young population. Indian economy's growth has become more stable, diversified, and resilient due to strong GDP growth, increase in disposable income, declining unemployment and steady inflation. India is the world's third largest economy in purchasing parity terms, aspires to better the lives of all its citizens and become a high-middle income country by 2030.

Indian food and beverage industry continues to offer opportunity for growth due to factors such as secular trends of young population, growing affluence, rising urbanisation, increase in disposable income, growth of organised retail and burgeoning digital connectivity which is driving consumption.

This was a year of sustained and noticeable growth with rise in consumption and a gradual revival of investments in the restaurant sector, which has sought re-introduction of input tax credit from the government.

Your Company's performance for the financial year 2018-19 needs to be analysed in the context of the aforesaid economic and operating environment, which remained largely optimistic.

The Company's financial performance for the financial year ended March 31, 2019 is as under:

- (i) Total Income of your Company for the year under review, which was ₹ 3,558.2 million as against ₹ 3,046.9 million in the previous year, registered a growth of 16.7%.
- (ii) The earnings before Depreciation, Interest, Tax and Amortization (EBDITA), which amounted to ₹ 233.7 million (6.6% of the revenue) as against ₹ 86.6 million (2.92% of the revenue) in the previous year, registered a growth of 170%.
- (iii) Total comprehensive loss for the year under review was ₹ (67.9) million as against ₹ (530.4) million in the previous year, reduced by 87.2%.

During the year under review, your Company opened five (5) restaurants out of which two (2) are Company Owned Company Operated (COCO) while three (3) are Franchise Owned Company Operated (FOCO) and four (4) confectionaries. At the end of financial year ended March 31, 2019, your Company has 104 Restaurants (including 24 franchisees) and 24 Confectionaries.

During the year under review, your Company's 'Machaan' restaurant located at Mani Square, Kolkata was converted and launched under the new brand 'Jungle Safari'.

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.



Your Company continues to combat the economic factors and structural changes in the taxation regime in the country by focussing on innovative offerings to enhance guest experience together with its efforts on cost rationalisation with a view to improve operational efficiency.

The detailed financial performance is included under the Management Discussion and Analysis Report.

3. Dividend on Equity Shares

The Board of Directors of your Company, after considering the financial performance during the year under review and with no surplus amount being available for declaration of dividend through reserves outstanding as on March 31, 2019, has decided not to recommend any dividend for the year under review. (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 ("Companies Act") 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 SEBI 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, 2019 i.e. Balance Sheet, Statement of Profit and Loss and Cash Flow Statement is appended.

There has been no material changes and commitments, which effect the financial position of the Company subsequent to the close of the financial year ended March 31, 2019 and till the date of this report.

6. Subsidiary

Your Company has a wholly owned subsidiary company (WOS), Speciality Hospitality UK Limited as at March 31, 2019, 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. The WOS is in the process of setting up restaurant at London, United Kingdom.

The Consolidated Financial Statements of your Company, its joint venture and WOS, 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.

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

7. Joint Venture

Your Company has a joint venture company, Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) at Doha, Qatar. 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. The Company is in the process of voluntary liquidation of the joint venture, Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) at Doha, Qatar.

Pursuant to the provisions of Section 129(3) of the Companies Act, 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.

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:

Name & Place of Restaurant	Awards Won
Mainland China, Pune	'Times Food Awards' in the category of Best Chinese.
Asia Kitchen by Mainland China, Burjuman Centre, Dubai	'Whats On Award' in the category of Favourite Pan Asian Restaurant (Below DHS400).
Asia Kitchen by Mainland China, Burjuman Centre, Dubai	'Suno 102.4 FM Flavours Awards' in the category of The Best Asian Food Restaurant.
Oh! Calcutta, Nehru Place, Delhi	'Travel & Leisure Delicious Food Awards' in the category of Best Bengali Cuisine.
Oh! Calcutta, Churchstreet, Bengaluru	'Times Food Awards' in the category of Best Bengali in Casual Dining.
Oh! Calcutta, Mumbai	'The Week Award' in the category of Best Regional Cuisine.
Oh! Calcutta, Tardeo, Mumbai	'Times Food Awards' in the category of Best Bengali - Casual Dining (South Mumbai).
Oh! Calcutta, Cyber Hub, Gurgaon	'EazyDiner Foodie Awards' in the category of Best Regional Cuisine Restaurant (People's Choice Awards).



Name & Place of Restaurant	Awards Won
Sigree Global Grill, Powai, Mumbai	'Food Food Awards' in the category of Best World Cuisine Restaurant (Standalone).
Sigree Global Grill, Silver Spring, Kolkata	'Restaurant Awards 2018' in the category of Casual Dining Restaurant of the Year.
Cafe Mezzuna, Kolkata	'Indian Nightlife Convention & Awards' in the category of Café Bar of the Year.
POH, Mumbai	'The Week award' in the category of Best Fine Dining (Standalone).
Gong, Balewadi, Pune	'Times Food Awards' in the category of Best Pan Asian Restaurant.
Sweet Bengal, Mumbai	'Times Food Awards' in the category of Best Mithai - Casual Dining (Suburbs Mumbai).

9. Directors and Key Managerial Personnel

I. Directors

Your Company has six (6) Directors comprising three (3) Independent and three (3) Executive Directors.

None of the Directors of the Company has resigned during the year under review.

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, the Company has received necessary declaration from each Independent Director under Section 149(7) of the Act, to the effect that each of them meet the criteria of independence laid down in Section 149(6) of the Companies Act and Regulation 16(1) of the Listing Regulations and they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence as required under Regulations 25 of Listing Regulations. The following Non-Executive Directors are Independent Directors of the Company:

1. Mr. Dushyant Mehta (re-appointed as Independent Director by Board of Directors for second term of five (5) consecutive years commencing from April 1, 2019 upto March 31, 2024, subject to approval of Members)
2. Mr. Ullal Ravindra Bhat
3. Mr. Rakesh Pandey

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 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. Re-appointment of Director

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Mrs. Suchhanda Chatterjee, (DIN: 00226893) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

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.

VI. Disclosure of Re-appointment of Mr. Dushyant Mehta

Based on the recommendation of the Nomination and Remuneration Committee, the Board has re-appointed Mr. Dushyant Mehta as an Independent Director of the Company for a second term of five (5) consecutive years with effect from April 1, 2019 till March 31, 2024, subject to approval by the members of the Company at the ensuing AGM.

The Board places on record its appreciation towards valuable contributions made by Mr. Dushyant Mehta during his tenure as a Director of the Company.

The Company has received declaration from Mr. Dushyant Mehta confirming that he meets the criteria of independence prescribed under the Companies Act and the Listing Regulations.

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Director and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Dushyant Mehta during his tenure, has recommended to the Board that continued association of Mr. Dushyant Mehta as Independent Director of the Company would be beneficial to the Company. Based on the above and the performance evaluation of Independent Director, at the Meeting of the Board of Directors held on March 29, 2019, the Board approved the re-appointment of Mr. Dushyant Mehta, as an Independent Director of the Company for a second term of five (5) consecutive years on the Board of the Company with effect from April 1, 2019 to March 31, 2024 subject to approval of the Members of the Company at the

ensuing AGM of the Company. The Board recommends the Special Resolution for re-appointment of Mr. Dushyant Mehta, as an Independent Director of the Company.

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 along with 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, the Listing Regulations and SEBI Guidance Note on Board Evaluation, the Board has carried out an annual evaluation of its own performance, the performance of its 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 disclosed 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 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, 2019 and the intervening gap between the meetings did not exceed the period prescribed under the Companies Act. 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, 2019.

Besides the above, several Committee Meetings of the Board were held during the financial year ended March 31, 2019, 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, 2019 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 under review 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 to the Company.

All Related Party contracts, arrangements and transactions were presented to the Audit Committee for review and approval. Prior 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 link http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf

The details of the transactions with Related Parties are provided in the accompanying 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 report on Corporate Governance.

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, 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 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, 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

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. Other details including details pertaining to various risks faced by your Company and also development and implementation of risk management policy is provided in a separate section forming part of the Annual Report.

16. Particulars of loans, guarantees or investments

Disclosure on particulars relating to loans, guarantees or investments made during the financial year ended March 31, 2019 under Section 186 of the Companies Act is given in the Notes to the Financial Statements.

17. Consolidated Financial Statement

The Consolidated Financial Statement of the Company and its Joint Venture company and wholly owned subsidiary for the financial year 2018-19 are prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies 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 notified under the Companies (Accounting Standard) Rules, 2006.

The annual financial statement of the wholly owned subsidiary and 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 and Speciality Hospitality UK Limited, Wholly Owned Subsidiary company.

In accordance with third proviso of Section 136(1) of the Companies Act, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements, has been placed on the website, www.speciality.co.in. Further, financial statements of WOS has also been placed on the website of the Company i.e. www.speciality.co.in. Members interested in obtaining a copy of the Financial Statements of WOS may write to the Company Secretary at the Company's corporate office.

18. Internal Financial Controls System and their adequacy

Your Company has laid down adequate internal financial controls system, through requisite policies and procedures which commensurate with its size and the nature of its operations. 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 Financial Year 2018-19, as required under Section 143 of the Companies Act, 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, 2019.

Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

19. Auditors and Audit Reports

I. Statutory Auditors and their report

M/s. Deloitte Haskins and Sells LLP, Statutory Auditors of the Company were appointed at the Fifteenth Annual General Meeting of the Company held on September 15, 2014 to hold office until the conclusion of the Twentieth Annual General Meeting to be held in the year 2019. The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Companies Act.

II. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act 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, 2019. The Secretarial Audit Report for the financial year ended March 31, 2019 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 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, 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 continued to undertake 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

The Company made one time capital investment of ₹ 5.12 Millions on Energy Management System during financial year 2016-17 and 2017-18. The Company during financial year 2018-19 spent ₹ 1.87 Millions in order to maintain Energy Management System.

(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 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 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	FY 2018-19	FY 2017-18
Foreign Exchange Earned in terms of actual inflows	14.3	14.3
Foreign Exchange Outgo in terms of actual outflows	3.1	1.9

II. Prevention of Sexual Harassment:

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.

The company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has complied with the provisions relating to the constitution of Internal Complaints Committee and no complaint has been received during the year under review

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.
- 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.



- iv. Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from the subsidiary company.
- v. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

24. Credit Ratings:

The Credit Ratings obtained by the Company along with any revision thereto has been disclosed in the Corporate Governance Report which forms part of this Report.

25. Extracts of Annual Return

Pursuant to Sections 134 (3) (a) and 92 (3) of the Companies Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as at March 31, 2019 is annexed as Annexure E which forms part of this report.

26. Directors' Responsibility Statement

The Directors confirm that:-

- i. in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year ended March 31, 2019 and of the loss of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

27. 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, 2019 are provided in the Corporate Governance Report.

28. 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 29, 2019



ANNEXURE A

(forming part of the Directors' Report)

Disclosure under Section 62 of Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, 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, 2019.

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	5,00,200
(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	3,88,800
(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 2018-19.
(j)	Total number of Options in force	1,88,400
(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	3,37,500
	Number of options granted during the year	Nil
	Number of options forfeited/ lapsed during the year	1,49,100
	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	1,88,400
	Number of options exercisable at the end of the year	1,88,400



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																								
	<table> <tr> <th>Sr. No.</th><th>Name</th><th>No. of Options Granted during the financial year 2013-14</th></tr> <tr> <td>1</td><td>Mr. Indranil Chatterjee*</td><td>50,000</td></tr> <tr> <td>2</td><td>Mr. Indraneil Palit#</td><td>50,000</td></tr> <tr> <td>3</td><td>Mr. Phiroz Sadri</td><td>50,000</td></tr> <tr> <td>4</td><td>Mr. Rajesh Kumar Dubey</td><td>50,000</td></tr> <tr> <td>5</td><td>Mr. Rajesh Kumar Mohta*</td><td>38,400</td></tr> <tr> <td>6</td><td>Mr. Nripendra Chauhan</td><td>25,000</td></tr> <tr> <td>7</td><td>Mr. Ramchander</td><td>26,500</td></tr> </table>	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	
Sr. No.	Name	No. of Options Granted during the financial year 2013-14																								
1	Mr. Indranil Chatterjee*	50,000																								
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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. #Resigned with effect from October 31, 2018.																									
(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	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:- <table> <tr> <td>(i)</td><td>Risk-free interest rate</td><td rowspan="5">The Company has not granted any options during the financial year 2018-19.</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 2018-19.	(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 2018-19.																								
(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	Not applicable																								
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.																								
(d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of options except as mentioned in point vi (a) above.																								
(vii)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with 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 29, 2019



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 2018-19 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:</p> <p>The Company has framed the CSR Policy to identify and support initiatives aimed at:</p> <ul style="list-style-type: none"> (i) eradicating hunger, poverty and malnutrition, promoting health care and sanitation and improving the quality of life and economic well being of individuals; (ii) training, providing and supporting educational needs of the underprivileged segments of society; and (iii) such other activities as may be permissible under Schedule VII of the Companies Act, 2013 and the relevant rules. <p>The 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:</p> <p>http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf</p> <p>Overview of the Projects undertaken:</p> <p>During the financial year 2018-19, an amount of ₹ 1,03,695/- which was unspent and available with the Sri Sai Trust, implementing agency was spent towards 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.</p> <p>In view of the inadequacy of profits, as per the provisions of the Companies Act, 2013, no amount was available to be contributed by the Company towards CSR activities for the Financial Year 2018-19.</p>
2	Composition of the CSR Committee	The composition of the CSR Committee is as under:- Mr. Dushyant Mehta—Chairman Mrs. Suchhanda Chatterjee-Member Mr. Ullal R. Bhat-Member
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 2018-19.	
	(i) Total amount to be spent for the financial year 2018-19.	Nil
	(ii) Amount un-spent if any.	Not applicable
	(iii) Manner in which the amount spent during the financial year 2018-19.	Not applicable
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.

Details of Project undertaken during financial year 2018-19

₹ in Millions

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (a) Local area or other (b) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing agency	Details of Implementing agency if engaged
1	Nutritional Support and Health Clinic Program.	Eradicating hunger, poverty and malnutrition.	(i) Provided nutrition-rich food to 200 children and 80 children attending formal school for six days in a week, during June 2018 to October 2018. This nutritional support was provided alongwith regular mid-day meals provided by Zilla Parishad at Anadwadi, Karjat, Maharashtra. (ii) Organised health check-up camps for children in the clinics by lady MBBS doctors, etc. at Anadwadi, Karjat, Maharashtra.	Nil	0.10	0.10	Implementing agency	Sri Sai Trust
Total				Nil	0.10	0.10	-	-

Note:

An amount of ₹ 1,03,695/- which was unspent and available with the Sri Sai Trust was spent towards 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".

Place: Mumbai
Date: May 29, 2019

Anjan Chatterjee
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, 2019

(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, 2019 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, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 notified w.e.f. 3rd October, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), viz:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - f. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified w.e.f. 11th September, 2018 ; [Not applicable during the period of audit]
 - 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. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent well 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 based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion, 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

M. NO.: FCS 2405

CP NO.: 1432

PLACE: MUMBAI

DATE: 29TH MAY, 2019

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

M. NO.: FCS 2405

CP NO.: 1432

PLACE: MUMBAI

DATE: 29TH MAY, 2019



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.

- 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 2018-19 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	36.98	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director	12.94	Nil
3	Mr. Indranil Chatterjee	Whole-time Director	12.94	Nil
5	Mr. Dushyant Mehta	Non Executive Independent Director	2.22	32.11*
6	Mr. Ullal R. Bhat	Non Executive Independent Director	2.10	43.12**
7	Mr. Rakesh Pandey	Non Executive Independent Director	1.97	146.15***
7	Mr. Rajesh Kumar Mohta	Executive Director- Finance and CFO	Not applicable	Nil
8	Mr. Avinash Kinhikar	Company Secretary & Legal Head	Not applicable	19.88

* Remuneration for financial year 2018-19 is not comparable with the previous year as it varies due to number of Board and Committee Meetings held and attended.

** Remuneration for financial year 2018-19 is not comparable with the previous year since, Mr. Ullal R. Bhat joined the Board with effect from April 28, 2017 and it varies due to number of Board and Committee Meetings held and attended.

*** Remuneration for financial year 2018-19 is not comparable with the previous year since, Mr. Rakesh Pandey joined the Board with effect from November 29, 2017 and it varies due to number of Board and Committee Meetings held and attended.

- The percentage increase in the median remuneration of employees in the financial year 2018-19 was 35.04 %.
- The Company has 3,241 permanent employees on the rolls of the Company as on March 31, 2019.
- 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 2018-19, the overall salary of the Employees increased to around 18.41 %
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

- 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 29, 2019

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

Extract of Annual Return

as on the financial year ended on March 31, 2019

[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)

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	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	3,657	0	3,657	0.01	12,710	0	12,710	0.03	0.02
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	0	0	0	0	0	0	0	0	0
b) Foreign Portfolio Investors (Corporate)	38,33,470	0	38,33,470	8.16	38,33,470	0	38,33,470	8.16	0.00
c) Alternate Investment Funds	0	0	0	0	35,786	0	35,786	0.08	0.08
Sub-total (B)(1):-	38,37,127	0	38,37,127	8.17	38,81,966	0	38,81,966	8.27	0.10
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	30,98,911	0	30,98,911	6.60	39,99,804	0	39,99,804	8.52	1.92
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals.									
i) Individual shareholder holding nominal share capital upto ₹ 1 lakh	41,20,723	201	41,20,924	8.78	42,38,145	151	42,38,296	9.03	0.25
ii) Individual shareholder holding nominal share capital in excess of ₹ 1 lakh	95,33,351	0	95,33,351	20.30	84,09,017	0	84,09,017	17.91	-2.39
c) Others									
i) Clearing Member	1,71,403	0	1,71,403	0.37	2,80,456	0	2,80,456	0.60	0.23
ii) Non Resident Indian (Repat)	1,48,061	0	1,48,061	0.32	1,16,943	0	1,16,943	0.25	-0.07
iii) Non Resident Indian (Non Repat)	81,611	0	81,611	0.17	48,829	0	48,829	0.10	-0.07
iv) Foreign Companies	0	0	0	0	0	0	0	0	
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	19,22,353	0	19,22,353	4.09	18,66,755	0	18,66,755	3.98	-0.11
(vii) NBFC's Registered with RBI	0	0	0	0	71,675	0	71,675	0.15	0.15
Sub-total (B)(2):-	1,90,80,272	201	1,90,80,473	40.64	1,90,35,483	151	1,90,35,634	40.54	-0.10
Total Public Shareholding (B) = (B)(1)+(B)(2)	2,29,17,399	201	2,29,17,600	48.81	2,29,17,449	151	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)	4,69,57,456	201	4,69,57,657	100	4,69,57,506	151	4,69,57,657	100.00	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, 2019.

(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*	01-04-2018	Opening Balance	41,23,435	8.78	41,23,435	8.78
		26-10-2018	Sale	13,50,180	2.87	27,73,255	5.91
		14-12-2018	Purchase	20,074	0.04	27,93,329	5.95
		31-03-2019	Closing Balance	-	-	27,93,329	5.95
2	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust*	01-04-2018	Opening Balance	17,59,863	3.75	17,59,863	3.75
		31-03-2019	Closing Balance	-	-	17,59,863	3.75
3	Deepak Bhagnani (HUF)*	01-04-2018	Opening Balance	13,71,167	2.92	13,71,167	2.92
		26-10-2018	Purchase	44,000	0.09	14,15,167	3.01
		31-03-2019	Closing Balance	-	-	14,15,167	3.01
4	Tasha Investment Advisors LLP#	01-04-2018	Opening Balance	8,717	0.02	8,717	0.02
		11-05-2018	Sale	1,998	0.01	6,719	0.01
		26-10-2018	Purchase	11,56,000	2.47	11,62,719	2.48
		31-03-2019	Closing Balance	-	-	11,62,719	2.48
5	Paradice Global Small Mid Cap Fund*	01-04-2018	Opening Balance	8,74,449	1.86	8,74,449	1.86
		31-03-2019	Closing Balance	-	-	8,74,449	1.86
6	Hostplus pooled superannuation trust paradise Investment Management Pty Limited*	01-04-2018	Opening Balance	7,99,251	1.70	7,99,251	1.70
		31-03-2019	Closing Balance	-	-	7,99,251	1.70
7	Bharat Bhagnani*	01-04-2018	Opening Balance	7,49,767	1.60	7,49,767	1.60
		31-03-2019	Closing Balance	-	-	7,49,767	1.60
8	Kirti Bhagnani*	01-04-2018	Opening Balance	6,98,248	1.49	6,98,248	1.49
		26-10-2018	Purchase	36,180	0.08	7,34,428	1.57
		31-03-2019	Closing Balance	-	-	7,34,428	1.57
9	Tasha Enterprises LLP*	01-04-2018	Opening Balance	5,26,675	1.12	5,26,675	1.12
		26-10-2018	Purchase	1,14,000	0.24	6,40,675	1.36
		31-03-2019	Closing Balance	-	-	6,40,675	1.36
10	Chander Bhatia*	01-04-2018	Opening Balance	5,85,572	1.25	5,85,572	1.25
		20-07-2018	Purchase	31,548	0.06	6,17,120	1.31
		12-10-2018	Purchase	233	0.00	6,17,353	1.31
		16-11-2018	Purchase	2,000	0.01	6,19,353	1.32
		31-03-2019	Closing Balance	-	-	6,19,353	1.32
11	Shriyam Bhagnani@	01-04-2018	Opening Balance	3,34,254	0.71	3,34,254	0.71
		31-03-2019	Closing Balance	-	-	3,34,254	0.71

*Common top 10 shareholders as on April 1, 2018 and March 31, 2019

@ Top 10 shareholders only as on April 1, 2018

Top 10 shareholders only as on March 31, 2019

(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 Kumar 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, 2019.

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	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
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	2,61,281	-	-	2,61,281
Net Change	2,61,281	-	-	2,61,281
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Anjan Chatterjee (MD)	Mrs. Suchhanda Chatterjee (WTD)	Mr. Indranil Chatterjee (WTD)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	21,00,000	21,00,000	1,02,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	-	21,600	50,400
	(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)	60,28,800	21,00,000	21,21,600	1,02,50,400
	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. Dushyant Mehta	Mr. Ullal R. Bhat	Mr. Rakesh Pandey	Total Amount
1	Independent Directors				
	• Fee for attending Board and Committee meetings	3,60,000	3,40,000	3,20,000	10,20,000
	• Commission for the year 2017-18	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	3,60,000	3,40,000	3,20,000	10,20,000
2	Other Non-Executive Directors				
	• Fee for attending board committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	3,60,000	3,40,000	3,20,000	10,20,000
	Total Remuneration				
	Overall Ceiling as per the Act	The remuneration paid to the Independent Directors was within the ceiling as per the Companies Act, 2013.			

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

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Avinash Kinkhikar – 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	19,30,008	47,71,800	67,01,808
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	32,400	32,400
	(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 2018-19	19,30,008	48,04,200	67,34,208

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

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

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

Place: Mumbai
Date: May 29, 2019



MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview

Currently, India is the seventh largest economy in the world which continues to be one of the fastest growing and expected to become the fifth largest economy by 2023 with young population. Indian economy's growth has become more stable, diversified, and resilient due to strong GDP growth, increase in disposable income, declining unemployment and steady inflation. Added to this Government's promise in ramping up infrastructure and amending policies to favour business and stimulate growth is expected to growth in economy and in turn improved consumer confidence. India is the world's third largest economy in purchasing parity terms, aspires to better the lives of all its citizens and become a high-middle income country by 2030.

Indian food and beverage industry continues to offer opportunity for growth due to factors such as changing economic and demographic profile, secular trends of young population, growing affluence, rising urbanisation, increase in disposable income, increased internet penetration, growth of organised retail and burgeoning digital connectivity, technological innovations, increased focus on health and wellness are driving consumption.

This was a year of sustained noticeable growth with rise in consumption and a gradual revival in investments for the restaurant sector, which has represented seeking re-introduction of input tax credit from the government.

Your Company's performance for the year 2018-19 needs to be analysed in the context of the aforesaid economic and operating environment, which remained largely optimistic.

Food and Beverages Services Industry Overview

Food and Beverages services continues to remain one of the key segments of the 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 ₹ 4,23,865 crore in 2018-19 and projected to grow at compounded annual growth rate (CAGR) of 9% per annum and is expected to reach ₹ 5,99,782 crore by 2022-23. The organised segment with market share of 35% is estimated at ₹ 1,48,353 crore in 2018-19 and is projected to grow at a CAGR of 15% to reach ₹ 2,57,907 crore by 2022-23. (Source: NRAI India Food Services Report 2019)

India has one of the highest millennial population aged between 18 to 35 years, which happens to be tech-savvy, independent, career driven individuals with global exposure possessing higher spending capacity. Today, almost one-third of the population is below 25 years and almost half of the population is below 35 years. While this means that consumer demand will keep growing in the future, thereby propelling India's GDP via internal consumption, it also means that the types of products, services and experiences will undergo a big change to keep pace with the outlook of this young population.

The restaurant sector continues to contribute highest to manpower requirement in the hospitality sector and also provides impetus to other sectors as well, such as agriculture, food processing, supply chain and logistics, consulting, digital technology, specialised commercial kitchen equipments and real estate.

The food services sector continues to attract interest from domestic as well as international investors as the sector is a domestic consumption driven with high growth potential.

The Indian food services market continues to evolve from home grown, standalone, family run business ventures into chain of restaurants, international partnerships with multipolar and integrated business model. International chains of restaurants have already entered into Indian market. The 35% share of organised sector in the Indian food service industry is steadily rising.

Industry Trends

Consumers' Eating Out Behaviour

Eating out on weekdays is slowly catching up as a new trend as against only it being on weekend. Eating out is not restricted to occasions such as business meetings, alternate to home cooking, looking to try new cuisines but has become an occasion in itself. Consumer is becoming increasingly conscious of eating food at high-quality outlets across socio-economic segments. The food service industry is blessed with a young, dynamic and diverse food-loving consumer with a high disposable income. The growing participation of women in the workforce and double-income families' preference for eating out or ready-to-eat meals are creating new opportunities in the industry.

Eating out as an experience

Hospitality is a great dining experience when guest's needs are anticipated and met that goes far beyond presentation, unique food concept and exceptional service.

Social Media / Digital Marketing

Rise of various food tech models, enhanced penetration of internet and increase in internet speeds, use of technology to improve consumer experience and continued use of social media for consumer engagement are some of the key trends that are continuing to shape the Indian food service sector. Social media presence for restaurants also defines how popular they are. Social media accessible through smart devices is 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. Use of digital marketing in the restaurant space is the new trend in the food and restaurant segment in India to communicate offers, incentives, product information and promotions.



Focus on consumer engagement using technology

Technology has helped Food Services industry to focus on consumer engagement:

Food Discovery/Restaurant Search: Food guides and eating out directories of restaurants with reviews, opinions and vital information are available by food discovery or restaurant search players on just a few clicks away.

Table Reservation: Fine dine restaurants are offering table reservation service to their clients to manage demand more efficiently to improve on sourcing & staffing. It is beneficial to a customer as reservation guarantee one's table at the time and place he has planned and likely to receive better service at the restaurant.

Online ordering: Technology has eased the process of customers having to travel to a restaurant for eating out. Today customers can use their smartphones to order food from any restaurant of their choice and are able to save time and enjoy restaurant food at the same time.

Market Segments

The market segment of the organised food service industry is dominated by Casual Dining Restaurants with 55% market share followed by Quick Service Restaurants at 20% and Pub, Club & Bar at 12%, while Cafe chains at 7%, Full Service Restaurants (Premium Casual Dining Restaurants and Fine Dining Restaurants) at 2% and Others (Frozen desserts and ice-creams etc.) at 3% forms the rest.

Evolving Customer Preferences

The combination of rising incomes, increasing working population, ever expanding urbanization, internet penetration and changing consumer preferences towards eating out has evolved the lifestyle of today's progressive young Indians, who are willing to experiment different cuisines and alcoholic beverages.

Experimenting with Cuisines

Indian Consumers are willing to experiment with various authentic Indian regional as well as cuisines from other international regions. The food service industry is catering 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

One of the most popular and most visited retail formats is the mall providing everything that a person wants to buy, all under one roof from clothes, accessories and cinemas to dedicated food courts including fine, casual / fun casual restaurants offer a controlled operating environment atmosphere and provide parking. Other retail avenues are airports and amusement parks which drive consumers towards food services.

Dine-In v/s Take-away/Delivery

The delivery segment is growing steadily and restaurants are providing option to the consumer to order food.

Cloud Kitchen

Cloud kitchen is emerging as an alternative as it can be setup with a very low Capital Expenditure as compared to a Cafe or a Restaurant and helps in the operation of a chain of restaurants. A cloud kitchen is a centralised kitchen for a chain of outlets/ restaurants that accepts orders only through online ordering systems and offers no dine-in facility. They have a base kitchen that delivers raw materials, sauces and all ingredients in portions to multiple restaurants. This format is helping the industry to reduce the high rental cost and also cost of labour and also helping in faster turn around over and above standardisation of quality.

Dark Kitchen

'Dark kitchen', also known as virtual kitchen, is a fully-equipped commercial kitchen with no restaurant or even a takeaway counter which are dedicated to meet the requirements of online delivery services, facilitated by the third party delivery apps.

International Opportunities

There's global demand for Indian cuisine as its popularity caters to the diaspora, Indian restaurant chains are leveraging that with financial and management bandwidth to invest and harness this opportunity.

Many Indian restaurant operators had entered the global market with traditional and exclusive Indian cuisines due to attractive growth options, ease of doing business, fewer regulatory issues and higher returns on investment than in India.

Opportunities and Challenges

The success of our organisation depends on our ability to identify strengths & opportunities and leverage them while mitigating the risks that arise while conducting our business. The strength of our restaurants lie in what we do best viz., serving tasty food, offering quality service and providing decor that makes the fun of eating at our restaurants a memorable experience. 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.
- Setting up Cloud Kitchen/ Commissary and also dark Kitchens from existing kitchens at own outlets
- International expansion.
- Strategic / differential pricing for the buffet format for weekday and weekend.
- Riding on the technology wave 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 its business success. We are dependent on creating innovative products that continue to meet the needs of consumers.

The challenges to the Company's prospects largely depends on economic factors such as changes in regulatory environment i.e. food inflation, removal of input tax credit under GST, licensing and market factors such as change in taste and preferences of consumers, competition, operational challenges including high real estate cost, availability of skilled manpower, supply chain management, people management and all that it entails – from recruiting, training and culture to our company's purpose is still the key to engaging with techno savvy customers.

Competitive Advantage

Your Company continues to enjoy top of mind position in the Fine Dining and Casual Dining Industry and now even making a mark in the section of Pubs & Bars. The key to this has been the continuous and well-paced focus on innovation, building on existing strengths and pragmatic expansions. Food served at our restaurants and service is the biggest competitive advantage we have.

During the financial year 2018-19, the Company has opened five (5) restaurants of which two (2) are Company Owned Company Operated (COCO) and three (3) are Franchise Owned Company Operated (FOCO) and four (4) confectionaries. The Company closed financial year 2018-19 with 104 restaurants (including 24 franchisees) and 24 confectionaries.

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. With a new initiative of rationalising the Menu with new offerings and backed by fresh training and standardising certain mother sauces and ingredients have helped improve consumer satisfaction and increase in footfalls arresting the fall of the previous 2/3 years.

Asia Kitchen by Mainland China was created as a brand refresh with a much less uninhibited space to attract a larger and younger audience. With almost 50% of Chinese cuisine (best of Mainland China's offerings) coupled with 50% 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 it has already created a position for itself.

Oh! Calcutta continues to be the coveted destination for Bengali food lovers and now a big draw for global travellers and food connoisseurs 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 and truly recognised as global cuisine.

POH, (Progressive Oriental House) was launched as a new boutique Oriental restaurant serving modern Pan Asian Market cuisine in India. The restaurant is targeted towards the globally exposed crème de la crème and HNI's, looking for newer flavours and experience. Unfortunately after a massive accident at Kamal Mills the location in itself has posed a challenge for all operators and your company is also planning to relocate it at a suitable destination since it has already been acknowledged as one of the finest and classiest in the city.

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 is 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.

Dariole 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, dependence on fine-dine segment, competition from global chains and other segments of the restaurant industry and any sudden unanticipated 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 has undertaken import substitution to the extent possible without compromising quality.

Commodity Prices

Changes in commodity prices reduce profit margins. The impact of commodity price fluctuations is managed by the Company 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 restaurants which are being launched by the Company are of a more compact size to reduce the fixed costs and to enhance efficiencies.

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 select locations, thereby enhancing sales and productivity.

Competition

The brand positioning and refreshment of the existing brands as well as introduction of new brands targeted at niche cuisines or customer has helped the Company to remain competitive. 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 put in place 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 operational units 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 Chairman & 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 AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2015.

Standalone Financial performance for the year ended March 31, 2019

a) Total Revenue

(₹ In Millions)

	2018-2019	2017-2018	Change (₹)	Change (%)
Revenue From Operations	3,463.6	2,967.9	495.7	16.7
Other Income	94.6	79.0	15.6	19.7
Total	3,558.2	3,046.9	511.3	16.8

Total Income which comprises of Revenues from Operations and Other Income registered an increase of 16.8% for the year. The Increase in revenue operations was mainly due to the same store sales growth of 12.5% and new units launched during the year. Other income includes interest received from Banks/Others, Dividend on Mutual Fund Investments, Profit on Sale of Current Investments and Fixed Assets (Net), Foreign Exchange Gains (Net) and Miscellaneous Income.

b) Cost of Material Consumed (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Cost of Material Consumed	1,089.1	953.4	135.7	14.2

Cost of Materials consumed for the year has increased by 14.2% in line with increase in revenues as compared to the previous year.

c) Employee Benefit Expenses (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Employee Benefit Expenses	805.5	764.6	40.9	5.3

Employee Benefit Expenses comprises salary, bonus, allowances, Staff welfare expenses and Company's contribution to Provident Fund and Gratuity. There is an overall 5.3% increase in Employee Benefit expenses during the year under review as compared to previous year due to launch of new restaurants during the year 2018-19.

d) Finance Costs (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Interest	0	0.1	(0.1)	(100)

The interest cost on vehicle loan has decreased by 100% 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)

	2018-19	2017-18	Change (₹)	Change (%)
Depreciation and amortisation Expense	287.1	296.6	(9.5)	(3.2)

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.

f) Other Expenses (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Other Expenses	1392.7	1234.4	158.3	12.8

Other expenses includes rent, power & fuel, rates, taxes & license fee, insurance, operating supplies, advertising and marketing expenses, repairs and maintenance and other miscellaneous expenses. The increase in other expenses was mainly due to rent linked to revenue share and advertisement & marketing expenses.

g) Profitability (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Loss Before Tax (LBT)	(53.3)	(311.5)	(258.2)	(82.9)
Loss After Tax (Net Loss)	(63.4)	(534.1)	(470.7)	(88.1)

Upward trend of discretionary spend, same store sales growth being in positive territory, increase in footfalls during weekdays compared to previous year and reduction in breakeven period of new restaurants coupled with increase in revenues improved the margins during the financial year 2018-19. Restaurant sector has sought re-introduction of input tax credit from the government under the Goods and Service Tax which if accepted is expected to further reduce loss during the financial year 2019-20.

Financial Position

a) Equity (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Paid Up Share Capital	469.6	469.6	-	-
Other Equity	1,751.1	1,821.1	(70)	(3.8)
Total Equity	2,220.7	2,290.7	(70)	(3.1)

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

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

	2018-19	2017-18	Change (₹)	Change (%)
Other Financial Liabilities	109.7	101.6	8.1	7.9

The Company did not have any debts on its books and thus continues to be a debt free company. The increase in non-current financial liabilities is due to receipt of security deposits by the Company.

c) Current Liabilities and Provisions (₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Current Liabilities and Provisions	521.4	513.9	7.5	1.5

Current Liabilities comprise of trade payables, payables for purchase of property, plant and equipments, provisions and other current liabilities.

d) **Net Tangible and Intangible Assets**

(₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Tangible and Intangible Assets after Depreciation (Net)	820.1	1,010.5	(190.4)	(18.8)
Capital Work-in Progress	349.8	288.4	61.4	21.3
Total	1169.9	1298.9	(129.0)	(9.9)

There was an overall decrease of 18.8% in the Net Tangible and Intangible Assets of the Company primarily due to depreciation being charged on the basis of Written down value method. There was an increase of 21.3% in Capital Work-in Progress due to new projects undertaken.

e) **Non-Current Financial Assets**

(₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Investments	89.2	0.2	89	100.0
Loans	13.8	13.0	0.8	6.1
Other financial Assets	304.2	276.1	28.1	10.2
Total	407.2	289.3	117.9	40.8

Investments include investment in Speciality Hospitality UK Limited, WOS of the Company and other marketable securities. Other financial assets comprises of Security and other deposits given by the Company.

f) **Other Non - Current Assets**

(₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Other non-current assets	241.8	263.4	(21.6)	(8.2)

Other Non-Current assets comprises of capital and normal advances to vendors, prepaid expenses and deferred rent, advance tax (net) and balances with government authorities paid under protest. There was an overall decrease of 8.2% due to deferred rent.

g) **Current Assets**

(₹ In Millions)

	2018-19	2017-18	Change (₹)	Change (%)
Inventories	66.8	70.4	(3.6)	(5.1)
Financial assets				
- Investments	632.1	672.0	(39.9)	(5.9)
- Trade Receivables	53.9	63.9	(10)	(15.6)
- Cash and Cash equivalents	83.5	52.2	31.3	59.9
- Bank balances other than cash above	0.8	0.8	-	-
- loans	4.4	6.2	(1.8)	(29.0)
- other financial assets	67.5	72.1	(4.6)	(6.4)
other current assets	123.9	117.0	6.9	5.9
Total	1,032.9	1,054.6	(21.7)	(2.1)

The decrease in Investments (mutual funds) was due to deployment of funds for funding WOS. The increase in cash and cash equivalent was primarily due to internal accruals. Cash and Cash Equivalents decreased during the year due to parking of surplus cash temporarily in Mutual Funds/Bank and Fixed Deposits.

Significant changes in key financial ratios

The details of significant change of 25% or more as compared to the immediately previous financial year in key financial ratios, along with detailed explanations therefor is as under:

Key Ratios	March 31, 2019	March 31, 2018	Change %	Due to
Debtors Turnover (times)	58.78	52.26	12.47	Realisation of outstanding dues and increase in revenues.
Inventory Turnover (times)	51.84	42.13	23.04	Increase in sales has resulted into improvement in inventory turnover ratio.
Debt Equity Ratio (times)	0	0.01	(100)	Repayment of borrowings.
Operating Profit Margin (%)	6.57	2.84	131.11	Improved business and optimisation of costs resulted in improved operating & net profit margins and consequently improved return on net worth.
Net Profit Margin (%)	(1.78)	(17.53)	89.33	
Return on Net Worth (%)	(2.86)	(23.31)	87.75	

Consolidated Financial performance for the year ended March 31, 2019

The Consolidated Financial Statements comprise the Company and its Joint Venture and WOS 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 and WOS by proportionate consolidation method of accounting. The following table sets forth the Consolidated Financial results for the year ended March 31, 2019.

(₹ In Millions)				
Particulars	March 31, 2019	March 31, 2018	Change (₹)	Change (%)
Revenue from operations	3,463.6	2,967.9	495.7	16.7
Other Income	94.6	79.0	15.6	19.7
Total Income	3,558.2	3,046.9	511.3	16.8
Cost of materials consumed	1089.1	953.4	135.7	14.2
Employee benefit expense	818.8	764.6	54.2	7.0
Other expenses	1,431.1	1242.3	188.8	15.2
Earnings before Interest, Depreciation, Amortization and Tax	219.3	86.6	132.7	153.2
Less:				
Finance Costs	-	0.1	0.1	(100.0)
Depreciation /Amortization	287.1	296.6	(9.5)	(3.2)
Loss before share of loss in Joint venture, exceptional item and tax	(67.8)	(210.1)	(142.3)	(67.7)
Share of Loss in Joint Venture Company	(0.2)	(19.2)	(19)	(99.0)
Exceptional Item	-	(15.8)	(15.8)	(100.0)
Loss before tax for the year	(68.0)	(245.1)	(177.1)	(72.2)
Less: Taxes Expenses / (credit)				
Current Tax	9.0	-	9.0	100.0
Deferred Tax	-	222.6	(222.6)	(100.0)
Short provision for tax relating to prior years	1.1	-	1.1	100.0
Loss for the year	(78.1)	(467.7)	389.6	83.3
Total Other Comprehensive (Loss)/Income	(5.3)	3.7	(9.0)	(243.0)
Total Comprehensive loss for the period	(83.4)	(464.0)	380.6	82.0

The consolidated financial statements includes pre-operative expenses incurred by Speciality Hospitality UK Limited, WOS company of the Company, which is in the process of setting up restaurant at London, UK.

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 is expected to touch a respectable mark of 7.3% in 2020, up from 7.1% in the previous year and 7.5% in 2021, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy is expected to spur demand by improving the overall consumer sentiment in the financial year 2019-20. The Company expects demand to continue to remain buoyant and expects the disposable income in the hands of consumers to increase due to pick up in economic activity and various government initiatives in the areas of ease of doing business based on continued implementation of structural reforms and easing of infrastructure bottlenecks 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.

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 and based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

REPORT ON CORPORATE GOVERNANCE

A report on compliance with the Corporate Governance provisions as prescribed under 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") as amended, for the year ended March 31, 2019 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 comprising 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.

The Board on the recommendation of Nomination and Remuneration Committee re-appointed Mr. Dushyant Mehta, as an Independent Director of the Company for second term of five (5) consecutive years with effect from April 1, 2019 upto March 31, 2024, subject to approval of the Members in the ensuing Annual General Meeting of the Company.

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, 2019#
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 met six (6) times during the year under review on April 28, 2018, May 26, 2018, August 10, 2018, November 3, 2018, January 15, 2019 and March 29, 2019.

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

The name and categories of Directors, DIN, attendance of each Director at the Board Meetings held during the financial year 2018-19 and the last Annual General Meeting (AGM) of the Company held on August 27, 2018 and the number of Companies and Committees where they are Directors/Members or Chairperson as on March 31, 2019 are given below:-

Attendance Particulars			No. of Directorship(s) held in other Indian Public Limited companies*	Name of Other Listed Companies and Category of Directorship	No. of Directorship(s) in other companies*	Membership(s) of Committees of companies ##	Chairperson of Committees of other companies ##
Name of the Director	No. of Board Meetings Attended	AGM					
Mr. Anjan Chatterjee (DIN: 00200443)	5	Yes	-	-	10	-	-
Mrs. Suchhanda Chatterjee (DIN: 00226893)	4	Yes	-	-	8	-	-
Mr. Indranil Chatterjee (DIN: 00200577)	5	Yes	-	-	3	-	-

Attendance Particulars			No. of Directorship(s) held in other Indian Public Limited companies*	Name of Other Listed Companies and Category of Directorship	No. of Directorship(s) in other companies*	Membership(s) of Committees of companies ##	Chairperson of Committees of other companies ##
Name of the Director	No. of Board Meetings Attended	AGM					
Mr. Dushyant Mehta (DIN: 00126977)	6	Yes	1	Repro India Limited - Non-Executive Non-Independent Director	1	1	-
Mr. Ullal Ravindra Bhat (DIN: 00008425)	6	Yes	4	The Karnataka Bank Limited - Non-Executive Independent Director Repro India Limited - Non-Executive Independent Director	4	4	-
Mr. Rakesh Pandey (DIN: 00113227)	6	Yes	-	-	2	-	-

* Excluding Foreign Companies.

Includes only Audit Committee and Stakeholders' Relationship Committee.

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

2.4 Separate Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Act and Regulation 25(3) of the Listing Regulations a separate meeting of Independent Directors of the Company was held on March 29, 2019 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 Act 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 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 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 Act, as amended, the Company has a programme (the “**Programme**”) to 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 2018-19 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_impacted_to_independent_directors.php.

2.7 Matrix setting out the core skills/ expertise/ competence of the Board of Directors

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board are given below:

Sr. No.	Skills/Expertise/ Competence	Particulars
1	Business and Expansion	Established leadership skills in strategic planning, expansion strategy, Innovation in Hospitality industry and product delivery, specialised and experienced in Human resources , management skills, succession planning, driving change and long term growth and guiding the company towards its vision, mission and values.
2	Finance	An understanding of Finance and Financial Reporting Processes. Understanding and overseeing various risks facing the Company and ensure that appropriate policies and procedures are in place to effectively manage risks.
3	Governance and Regulatory oversight	Devise systems for compliance with a variety of regulatory requirements, reviewing compliance and governance practices for a long term sustainable growth of the Company and protecting stakeholders' interest.
4	Sales and Marketing	Ability to develop strategies to increase market share through innovation, build better brand experience for customers, improve prospective customer engagement levels and help establish active customers become loyal brand followers.

2.8 Board Confirmation regarding Independence of the Independent Directors

All the Independent Directors of the Company have given their respective declaration/ disclosures under section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under Section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board based on the disclosures received from all the Independent Directors, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the Listing Regulations and Section 149(6) of the Act and the Rules made thereunder and are independent of the Management as required under Regulation 25 of the Listing Regulations.

2.9 Resignation of Independent Director(s)

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

3. Audit Committee

3.1 Composition, Meeting and Attendance

The Audit Committee comprises of 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 five times during the year under review on May 26, 2018, August 10, 2018, November 3, 2018, January 15, 2019 and March 29, 2019. 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	5	5
Mr. Anjan Chatterjee	Member	Chairman & Managing Director	5	4
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	5	5
Mr. Rakesh Pandey	Member	Non-Executive Independent Director	5	5

3.2 Terms of reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified under Regulation 18 read with Part C of Schedule II to Listing Regulations, as well as Section 177 of the Act 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:
 - 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 Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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 The additional terms of reference of the Audit Committee are as under

- (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.

3.4 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 and Mr. Rakesh Pandey are Members of the Committee. The Company Secretary acts as Secretary to the Committee. Two Meetings of NRC were held during the year under review on May 26, 2018 and March 29, 2019.

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. Ullal Ravindra Bhat	Member	Non-Executive Independent Director	2	2
Mr. Rakesh Pandey	Member	Non-Executive Independent Director	2	2

4.2 Terms of reference

The terms of reference of the Committee are in line with the requirements of the Act 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 Act;
- 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 Act 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. If in any financial year the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to its Whole-time/ Managing Director(s) in accordance with the provisions of Schedule V of the Act.

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 Act.

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 Act shall be subject to the approval of the Members at the Annual General Meeting by special resolution and/or of the Central Government as may be applicable.

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

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

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

4.4.4 Remuneration to Other Employees

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

4.4.5 Stock Options

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

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

5 Remuneration of Directors

5.1 Pecuniary relationship or transactions of Non-Executive Directors

During the 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 Company pays its Non-Executive Directors sitting fees of ₹ 30,000/- for attending each meeting of the Board and ₹ 20,000/- for attending each meeting of the Committees of the Board.

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 2018-19 were as under:

Sr. No.	Name of the Director	Sitting fees paid for the FY 2018-19 (₹)
1	Mr. Dushyant Mehta	3,60,000
2	Mr. Ullal Ravindra Bhat	3,40,000
3	Mr. Rakesh Pandey	3,20,000
	Total	10,20,000

In view of the no profits during the financial year 2017-18, no amount was available to be paid in accordance with the provisions of Section 197 and 198 of the Act, to consider the payment of commission for Non-Executive Directors during the financial year 2018-19.

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 during the financial year 2018-19 are summarised below:-

Sr. No.	Name of the Director	Designation	Salary, Allowances & Perquisites (₹)	Company's contribution to Provident Fund (₹)
1	Mr. Anjan Chatterjee	Chairman & Managing Director	60,28,800/-	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)	21,21,600/-	Nil
	Total		1,02,50,400/-	-

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 2018-19. No vested options were exercised by him as on March 31, 2019. During the financial year 2018-19, 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, 2019, the Committee comprises of three members namely, Mr. Dushyant Mehta, Chairman and Mr. Anjan Chatterjee and Mr. Indranil Chatterjee, Members of the Committee. 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 November 3, 2018, 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, 2019

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 no shareholder's complaint was received by the Company and no complaint was 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 Act.

7.1 Composition, Meetings and Attendance

The CSR Committee comprises of three Members namely, Mr. Dushyant Mehta, Chairman and Mrs. Suchhanda Chatterjee and Mr. Ullal Ravindra Bhat are Members of the Committee. The Company Secretary acts as the Secretary to the Committee.

One Meeting of CSR Committee was held during the year under review on May 26, 2018, 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 Act;
- 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 Act; and
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

8. General Body Meetings

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

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of Special Resolution
1	2017-18	19 th AGM	August 27, 2018	11.00 a.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017	Not applicable.
2	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.
3	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

All Special Resolutions in the previous three AGMs of the Company were passed with requisite majority. All Resolutions were approved through remote e-voting and e-voting at the venue of the AGM held on August 27, 2018 last year.

9. Postal Ballot

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

10. Means of Communication

10.1 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.

10.2 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.

11. General Shareholder Information

11.1 Twentieth Annual General Meeting

Day, Date & Time : Friday, August 23, 2019 at 11.00 a.m.

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

11.2 Tentative Financial Calendar for Financial year 2019-20

Financial reporting for the quarter ending June 30, 2019.	On or before 2nd Week of August, 2019
Financial reporting for the quarter/half year ending September 30, 2019.	On or before 2nd week of November, 2019
Financial reporting for the quarter ending December 31, 2019.	On or before 2nd week of February, 2020
Financial reporting for the year ending March 31, 2020.	On or before last week of May, 2020

11.3 Book closure Saturday, August 17, 2019 to Friday, August 23, 2019 (Both days inclusive)

11.4 Listing Details

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

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

11.5 Stock Codes

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

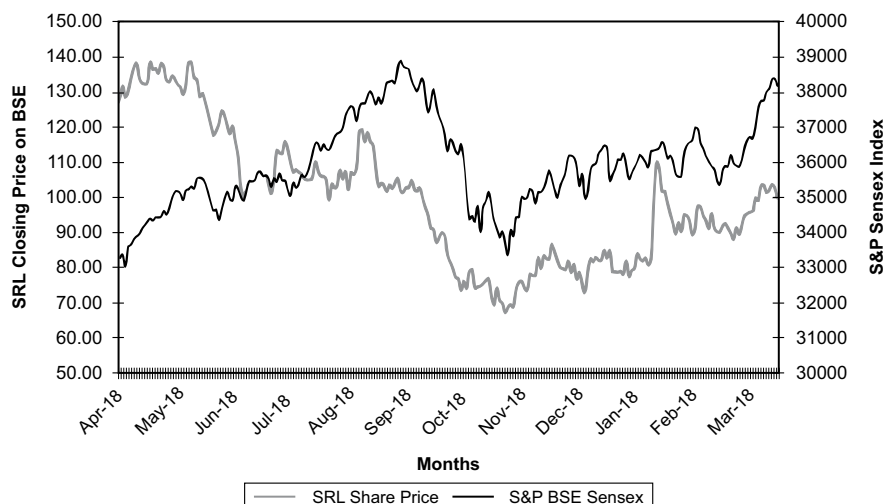
The Listing Fees have been paid to NSE and BSE for the financial year 2019-20.

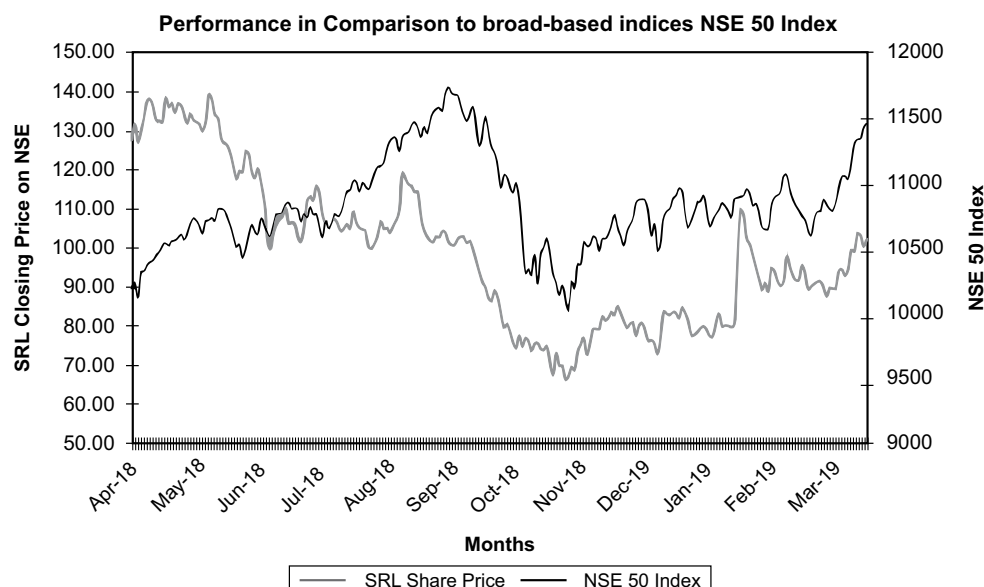
11.6 Stock Market Data

The monthly high/low of the market price of the shares of the Company during the financial year 2018-19 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 2018	144.80	122.30	1,52,157	35,160.36	144.30	121.10	14,55,592	10,739.35
May 2018	144.10	115.10	1,62,743	35,322.38	144.80	115.75	13,16,146	10,736.15
June 2018	120.00	96.00	1,19,042	35,423.48	120.45	96.60	11,33,863	10,714.30
July 2018	112.80	99.00	39,639	37,606.58	115.10	97.75	6,94,115	11,356.50
August 2018	123.00	97.00	65,446	38,645.07	124.00	99.55	8,58,239	11,680.50
September 2018	115.00	75.00	57,123	36,227.14	108.00	75.80	7,19,068	10,930.45
October 2018	85.00	64.25	8,43,181	34,442.05	80.05	63.75	12,01,218	10,386.60
November 2018	89.90	72.65	17,716	36,194.30	88.00	72.00	5,10,546	10,876.75
December 2018	87.95	71.10	19,451	36,068.33	88.40	67.45	3,63,836	10,862.55
January 2019	116.00	76.10	7,35,521	36,256.69	114.90	76.10	60,01,026	10,830.95
February 2019	101.90	85.15	1,09,870	35,867.44	102.30	86.05	11,30,126	10,792.50
March 2019	107.90	90.05	2,58,268	38,672.91	107.90	89.40	17,77,946	11,623.90

11.7 Stock Performance in comparison to broad based indices S&P BSE Sensex





11.8 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

11.9 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.

11.10 Distribution of Shareholding as on March 31, 2019

No. of Equity Shares held	No. of Members	% of Members	No. of Shares held	Total % to the Paid up share capital
1 - 500	12,048	84.71	12,52,460	2.67
501 - 1,000	909	6.39	7,25,192	1.54
1,001- 2,000	513	3.61	7,82,659	1.67
2,001- 3,000	208	1.46	5,39,788	1.15
3,001- 4,000	109	0.77	3,96,468	0.84
4,001- 5,000	85	0.60	4,00,781	0.85
5,001- 10,000	172	1.21	12,37,216	2.64
10,001 and above	179	1.25	4,16,23,093	88.64
Total	14,223	100.00	4,69,57,657	100.00

11.11 Shareholding pattern as on March 31, 2019

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	39,99,804	8.52
Foreign Portfolio Investors (Corporate)	38,33,470	8.16
Non Resident Indians	1,65,772	0.35
Non-Nationalised Banks	5,799	0.01
Public and Others	1,49,12,755	31.76
Total	4,69,57,657	100.00

11.12 Top ten shareholders as on March 31, 2019

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	27,93,329	5.95
Retail Employees Superannuation Pty Limited as Trustee for Retail Employees Superannuation Trust	17,59,863	3.75
Deepak Bhagnani (HUF)	14,15,167	3.01
Tasha Investment Advisors LLP	11,62,719	2.48
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	7,34,428	1.56
Total	3,43,28,973	73.11

11.13 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 and Regulation 74 of SEBI (Depositories and Participants) Regulations, 2018. 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.

11.14 Dematerialisation of Shares

4,69,57,506 Equity Shares representing 99.99 % of the paid-up Equity Share Capital has been held in dematerialized form as on March 31, 2019. 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.

11.15 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, 2019.

11.16 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 Note No. 32.3.3 to the Financial Statements of the Company.

11.17 Dealing with securities which have remained unclaimed and disclosure with respect to unclaimed suspense account

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 shares of the Company lying with them unclaimed and they were not required to follow the procedure for dealing with unclaimed shares, which required disclosure the status of unclaimed suspense account in this annual report.

11.18 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 27, 2018 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 Act 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 Depository Account of the IEPF.

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



12. Locations of Restaurants and Confectionaries as on March 31, 2019:

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	Jungle Safari	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	Hoppipola	Infinity Benchmark, 1 st Floor, Sector V, Salt Lake, Kolkata 700091.
15	Kix	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
16	Café Mezzuna	Forum Mall, 4th Floor, Shop Nos. 401-402, 10/3, Elgin Road, Kolkata, 700020.
17	Café Mezzuna	South City Mall, 2nd Floor, 375, Prince Anwar Shah Road, Kolkata 700068
18	Asia Kitchen by Mainland China	Acropolis Mall, Unit No. R 002, 4th Floor, 1858/1, Rajdanga Main Road, Kolkata 700107
19	Calcutta Canteen	4 th Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
20	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Road, Andheri (W), Mumbai- 400053.
21	Mainland China	City Park, 1st Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076.
22	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
23	Mainland China	Unit No. S-OO, Growels 101 Mall, Kandivali (East), Mumbai-400101.
24	Mainland China	R City Mall, 3rd Floor, L.B.S Marg, Ghatkopar (West), Mumbai - 400086.
25	Mainland China	Viviana Mall, F-38, 1st Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606.
26	Mainland China	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
27	Oh! Calcutta	Hotel Rosewood, 99/C Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.
28	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai - 400053.
29	Oh! Calcutta	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai-400052.
30	Hoppipola	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai- 400052.
31	Hoppipola	Shop Nos. 135-138 A, Galleria Shopping Center, Hiranandani Gardens, Powai, Mumbai 400059.
32	Hoppipola	Third Floor, Infinity Mall – II, Link Road, Malad West, Mumbai 400064
33	Sigree	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
34	Sigree-Global Grill	Ventura Shopping, 1st Floor Central Avenue Road, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
35	Sigree-Global Grill	Palm Spring, Unit No.812, 8th Floor, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064.
36	Asia Kitchen by Mainland China	Unit No. T-16, 3rd Floor, Palladium Mall, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013.
37	Asia Kitchen by Mainland China	Unit No. R-04, Third Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (East), Mumbai-400063.
38	Asia Kitchen & Bar	Sakinaka Junction, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400072.
39	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
40	Zoodles	Unit No. FC-18, 3rd Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai 400063
41	Zoodles	Unit No. FC-03, Second Floor, Viviana Mall, Pachpakhadi, Pokhran Road No. 2, Thane West - 400 606.
42	Zoodles	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
43	POH	21, Pandurang Budhkar Marg, Kamala Mills, Lower Parel, Mumbai, 400013.
44	Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune-411001.
45	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
46	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
47	Mainland China	EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028.
48	Sigree	City Tower, Ground floor, Dhole Patil Road, Pune-411011.
49	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
50	Hoppipola	Ground Floor, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
51	"Gong – Modern Asian"	Unit Nos. 22 and 23, Ground floor, Balewadi High Street, Balewadi, Pune 411045
52	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048.
53	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301.
54	Oh! Calcutta	Ground Floor, Block "E", American Plaza, International Trade Tower, Nehru Place, New Delhi-110019.
55	Oh! Calcutta	DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon 122002.
56	Mainland China	14, Church Street, Bengaluru-560001.
57	Oh! Calcutta	14, Church Street, Bengaluru-560001.
58	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
59	Mainland China	136, 1st Cross, 5th Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095.
60	Mainland China	19, 5th Block, 5th Main Road, 40th cross, Jayanagar, Bengaluru-560041.
61	Mainland China	Orion Mall, Brigade Gateway, 26/1, 80 Feet Road, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055.
62	Mainland China	28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
63	Mainland China	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
64	Sigree Global Grill	28 /2, Primus Building, Siddapura, Whitefield Main Road, Bengaluru-560066.
65	Sigree Global Grill	2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043.
66	Hoppipola	No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru- 560038.
67	Hoppipola	3rd Floor, 14, Church Street, Bengaluru - 560001.
68	Hoppipola	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043
69	Mainland China	Phoenix Market City, 1st Floor, Velachery Road, Chennai – 600042.
70	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floors, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
71	Mainland China	Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
72	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
73	Asia Kitchen by Mainland China	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai, Tamilnadu 600034
74	Sigree	Building No.6-3-1186/1/1, First Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
75	Sigree Global Grill	4th Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
76	Hoppipola	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
77	Kibbeh	Building No.6-3-1186/1/1, Fourth Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
78	Flame & Grill	Building No.6-3-1186/1/1, 2nd and 3rd Floor, Near. ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
79	Hoppipola	Plot No. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
80	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	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
9	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
10	Mainland China	Srinivas Towers, NBR 5 Centhop Road, Chennai-600018.
11	Sigree	15, First Floor, Sardar Patel Road, Adyar, Chennai-600020.
12	Sigree	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
13	Mainland China	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
14	Mainland China	New No. 96. Old No. 15, S Block, 5th Avenue, (Opposite T.N.E.B. Office), Anna Nagar, Chennai-600040.
15	Zoodles	Food Court, Level III, Domestic Departure, Terminal 2, Chhatrapati Shivaji International Airport, Sahar Road, Andheri East, Mumbai 400099.
16	Sigree	Plot No. 4737, New Door Nos.17, 19, 21, Old Door No. AA24, AA Block, 3rd Street, Annanagar East, Chennai – 600040.
17	Hoppipola	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
18	Machaan	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
19	Sigree	Necleus Mall, 4 th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
20	Mainland China	Gala No. 2, Nice Sankul, Padmashree Babubhai Rathu Chowk, Trimbak Road, Nice, Satpur, Nashik 422007.
21	Mainland China	08, Sir Ernest De Silva Mawtha, Flower Road, Colombo 07, Sri Lanka 577139.
22	SPICERY	4th Floor, Acropolis Mall, 1858/1, Rajdanga Main Road, Kasba, Kolkata 700107
23	Mainland China Asia Kitchen	Third Floor , Ambience Mall, Near Toll Plaza, Gurgaon , Haryana - 122002
24	Mainland China	Ground level, Burjuman Centre, Opp. Carrefour, Bur Dubai.

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, Shivgaury 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, Gokuldham Shopping Center, Gokuldham, 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. 68, Chapel Road, Opp. Mount Carmel's Church, Bandra West, Mumbai 400 050
19	Sweet Bengal	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
20	Sweet Bengal	Padma Nagar, Link road Shimpoli village , CTS no-389/9, Borivali West, Mumbai – 400 092
21	Sweet Bengal	Plot Nos. 17/18, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
22	Sweet Bengal	Shop No. 4, Sukh Arpan Co-op Hsg. Soct. Ltd., Near Jangid Circle, Mira Bhayander, Mira Road East, Thane 401107.
23	Dariole	Ground Floor, Unit No. "C", 42A, Shakespeare Sarani, Kolkata 700 017.
24	Dariole	Ground Floor (Western Side), 48, Southern Avenue, Kolkata – 700029.

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

13. 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 of the Company at the following address for any assistance.

Mr. Avinash Kinhikar

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

14. List of Credit Ratings obtained by the Company

During the financial year under review CRISIL has downgraded its ratings on the Long term bank loan facilities of ₹ 60 Crore of the Company from "CRISIL A/Negative" to "CRISIL A-/Negative" and Short-term facility from "CRISIL A1" to "CRISIL A2+".

The rated facility has not been availed and there is no amount outstanding in the books of accounts of the Company.

15. Other Disclosures

15.1 Disclosure on materially significant Related Party Transactions

There were no materially significant transactions during the year ended March 31, 2019 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. 35 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 Act 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 not maintained a Separate Chairman's office as Chairman of the Board is also the Managing Director of the Company.

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, 2019.

iv. Separate post of Chairman and Chief Executive Office

The provision is applicable to top 500 listed companies with effect from April 1, 2020. The Managing Director of the Company is Chairman of the Board.

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, 2019, 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 risks and hedging activities, hence the disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141, dated November 15, 2018, is not applicable.

15.8 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 Objects of the Issue as disclosed in the Prospectus dated May 22, 2012 issued by the Company for its IPO were varied after obtaining the approval of the Members of the Company through postal ballot on November 27, 2015, for the further period of three (3) years with effect from April 1, 2015.

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, 2019 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	Variations in plan approved for financial year 2015-2018	Amount Utilised upto March 31, 2018	Balance amount to be utilised as on March 31, 2018 (Plan approved for utilisation till March 31, 2021)	Amount Utilised upto March 31, 2019	Balance amount to be utilised as on March 31, 2019
A	B	C	D	E	F	G	H	I
(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	355.4	223.1	119.3	103.8
(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	-	355.4	223.1	119.3	103.8

Note:

The amount shown in column G (ii) represents unutilised amount as on March 31, 2018 related to the objects disclosed in the prospectus dated May 22, 2012 and 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 amount shown in column H (ii) represents utilised amount after March 31, 2018 upto March 31, 2019.

15.9 Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

15.10 Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

15.11 Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries

Total fees paid by the Company and its Subsidiaries on a consolidated basis excluding GST thereon, to the Statutory Auditors viz. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration Number: 117366 W/W-100018) and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

₹ In lakhs

Sr. No.	Particulars	Amount
1	Audit Fees	28.00
2	Limited Review	13.50
3	Other Services	9.20
4	Re-imbursement of Expenses	1.05
	Total	51.75



15.12 Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2018-19

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was received by the Internal Complaints Committee during the year under review and pending as at March 31, 2019, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

15.13 The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations, disclosed the extent to which the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report.

16. 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, 2019.

The Board of Directors has also laid down a separate Code for Independent Directors as per the requirements of Schedule IV of the Act. All the Independent Directors have affirmed compliance to the above Code for Independent Directors as on March 31, 2019. 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.

17. 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).

Pursuant to Regulation 8(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted with effect from April 1, 2019, the revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "Revised Code"). The Revised Code has been placed on the Company's website at www.speciality.co.in. 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, 2019.

Place: Mumbai
Date: May 29, 2019

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, 2019 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, 2019 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, 2019.
 - (2) Significant changes, if any, in accounting policies made during the year ended March 31, 2019 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 29, 2019

Anjan Chatterjee	Rajesh Kumar Mohta
Chairman & Managing Director	Executive Director – Finance & CFO
(DIN: 00200443)	

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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, 2019 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”) pursuant to the Listing agreement of the Company with the Stock Exchanges and we have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the “ICSI”).

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. 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 verifications (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its Officers, We certify that none of the Directors on the Board of the Company for the Financial year ended on 31st March, 2019 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

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
M. NO.: FCS 2405
C.P. NO.: 1432

PLACE: MUMBAI
DATE: 29TH MAY, 2019



INDEPENDENT AUDITOR'S REPORT

To The Members of Speciality Restaurants Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Speciality Restaurants Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	The nature of operations of the Company being driven by restaurant and confectionary sales, the focus of internal reporting as well as of external stakeholders is on revenue which could be a causal factor to record revenues for sales that either did not occur, or for which the revenue recognition criteria may not have been met. This risk is furthered considering that the gross margins on the sales being high and also since the Company has restaurants and confectioneries located across the country. We have therefore specifically focused on the said risk and have considered this to be a key audit matter	Assessed the appropriateness of the Company's revenue recognition accounting policies by mapping them with applicable accounting standards; Performed a walkthrough of the revenue business cycle to gain an understanding of the relevant risks and controls around revenue recognition. We also tested the design, implementation and operating effectiveness of the relevant controls. Tested transactions on a sample basis by, agreeing sales with the invoices, kitchen order tickets and other supporting documents and evidences supporting collections for these samples. Performed a review of the reconciliation for the revenue recorded for the full year with the cash collection, card collection, collections from food aggregators etc., as applicable, to confirm that the revenue recorded is supported by collections. We also reviewed variations in revenue over the corresponding period and tested any unusual transactions to determine whether the information corroborates with the revenue recorded in the books of account.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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 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: 29 May 2019



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 31 March 2019 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 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 31 March 2019, 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: 29 May 2019



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. 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. On account of continuing losses incurred by the borrowing company the entire amount of the loan and interest has been provided as doubtful and charged to the Statement of Profit and Loss during the previous 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, 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, Goods and service tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2019 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	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)	2008-10	6.98
Central Sales Tax Act 1956	Sales Tax	Appellate Tribunal	2011-13	15.46
Central Sales Tax Act 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2013-16	26.85
Maharashtra Value Added Tax 2002	Value Added Tax	Deputy Commissioner of Sales Tax (Appeal)	2008-10	1.16
Maharashtra Value Added Tax 2002	Value Added Tax	Appellate Tribunal	2011-13	12.44
Maharashtra Value Added Tax 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	2013-16	36.19
Andhra Pradesh VAT Act 2005	Value Added Tax	Appellate Deputy Commissioner	2012-16	1.89
Finance Act, 1994	Service Tax	Commissioner Service Tax	2012-18	195.62

- 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 joint venture 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: 29 May 2019



Balance Sheet

₹ In Millions

Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
a. Property, Plant and Equipment	4	801.35	996.27
b. Capital work-in-progress		349.82	288.39
c. Intangible assets	4	18.70	14.24
d. Financial assets			
i. Investments			
(a) Investment in equity instruments	5	39.59	-
(b) Other investments	6	49.63	0.19
ii. Loans	7	13.83	12.97
iii. Other financial assets	8	304.17	276.10
e. Other non-current assets	9	241.81	263.42
Total non-current assets		1,818.90	1,851.58
Current assets			
a. Inventories	10	66.82	70.45
b. Financial assets			
i. Other investments	6	632.11	671.96
ii. Trade receivables	11	53.92	63.94
iii. Cash and cash equivalents	12	83.50	52.19
iv. Bank balances other than (iii) above	12	0.80	0.78
v. Loans	7	4.44	6.15
vi. Other financial assets	8	67.45	72.05
c. Other current assets	9	123.90	117.02
Total current assets		1,032.94	1,054.54
Total Assets		2,851.84	2,906.12
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	13	469.58	469.58
b. Other equity	14	1,751.14	1,821.06
Total equity		2,220.72	2,290.64
Liabilities			
Non-current liabilities			
a. Financial Liabilities			
i. Other financial liabilities	16	109.69	101.55
Total non-current liabilities		109.69	101.55
Current liabilities			
a. Financial Liabilities			
i. Trade payables	15		
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.88	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		410.43	424.02
ii. Other financial liabilities	16	22.28	19.96
b. Other current liabilities	17	87.84	69.95
Total current liabilities		521.43	513.93
Total liabilities		631.12	615.48
Total Equity and Liabilities		2,851.84	2,906.12
Significant accounting policies	2		
The accompanying notes 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: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



Statement of Profit and Loss

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I Revenue from operations	18	3,463.64	2,967.91
II Other income	19	94.55	79.03
III Total Income (I + II)		3,558.19	3,046.94
IV Expenses			
Cost of materials consumed	20	1,089.09	953.39
Employee benefits expense	21	805.50	764.61
Finance costs	22	0.00	0.07
Depreciation and amortisation expense	23	287.07	296.56
Impairment loss on financial assets	24	37.15	7.96
Other expenses	25	1,392.71	1,234.38
Total Expenses		3,611.52	3,256.97
V Loss before exceptional item and tax (III - IV)		(53.33)	(210.03)
VI Exceptional item (Refer note 39)		-	101.41
VII Loss before tax (V - VI)		(53.33)	(311.44)
VIII Tax expense	36		
(1) Current tax		9.00	-
(2) Deferred tax		-	222.61
(3) Short provision for tax relating to prior years		1.11	-
		10.11	222.61
IX Loss for the year (VII - VIII)		(63.44)	(534.05)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan		(4.46)	3.69
X Total other comprehensive (loss)/income		(4.46)	3.69
XI Total comprehensive loss for the period (IX + X)		(67.90)	(530.36)
Earnings per equity share	28		
(1) Basic (in ₹)		(1.35)	(11.37)
(2) Diluted (in ₹)		(1.35)	(11.37)
Significant accounting policies	2		
The accompanying notes 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

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DIN : 00200443

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Executive Director - Finance

& Chief Financial Officer

Dushyant Mehta

Director

DIN : 00126977

Avinash Kinhikar

Company Secretary & Legal Head

Place: Mumbai

Date: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



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 March 31, 2018	13	469.58	-	469.58
As at March 31, 2019		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 March 31, 2017	14	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		-	-	3.69	-	3.69
Total comprehensive 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
Loss for the year		-	-	(63.44)	-	(63.44)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(2.02)	(2.02)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(4.46)	-	(4.46)
Total comprehensive loss for the year		-	-	(67.90)	(2.02)	(69.92)
As at March 31, 2019		1.67	1,626.50	112.06	10.91	1,751.14
Significant accounting policies	2					
The accompanying notes 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

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Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977

Place: Mumbai

Date: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



Statement of Cash Flows

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Cash flow from Operating Activities			
Loss before tax		(53.33)	(311.44)
Adjustments for:			
Depreciation and amortisation expense		287.07	296.56
Gain on sale of Property, plant and equipment (net)		(0.24)	(0.72)
Profit on sale of investments (net)		(29.03)	(5.54)
Gain on fair value of investments		(15.41)	(10.94)
Finance costs		0.00	0.07
Interest income from banks/others		(13.83)	(3.09)
Interest on income tax refund		(9.22)	(3.14)
Dividend on current investments		(0.02)	(20.77)
Unwinding effect of security deposits		2.25	5.67
Sundry balances written off		0.40	-
(Income)/expenses recognised in respect of equity-settled shared based payments		(2.02)	1.54
Lease rent equalisation adjustment		0.81	(6.56)
Provision for diminution in value of investments		-	8.88
Provision for doubtful debts and advances		37.15	100.48
Foreign exchange (gain)/loss (net)		(0.38)	0.28
Operating Profit before working capital changes		204.20	51.28
Adjustments for (increase)/decrease in operating assets:			
Inventories		3.63	0.91
Trade receivables		5.72	(17.40)
Other current financial assets		13.82	0.16
Other non-current financial assets		(41.61)	30.81
Other current assets		(6.32)	(15.87)
Other non-current assets		(14.84)	(24.57)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		(12.73)	45.96
Other current liabilities		13.43	1.15
Other non-current financial liabilities		10.00	10.00
Cash generated from operations		175.30	82.43
Net income tax (paid)/refund		(8.29)	5.62
A. Net cash generated from Operating Activities (A)		167.01	88.05
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(148.09)	(150.41)
Proceeds from sale of property, plant and equipment		2.71	11.81
Investment in subsidiary company		(39.59)	-
Investment in corporate bonds		(49.44)	-
Purchase of current investments		(1,257.77)	(1,124.81)
Proceeds from sale of current investments		1,342.07	1,161.60
Current loans		1.71	0.85
Non-current loans		(0.87)	1.32
Interest received		13.83	5.36
Dividend received		0.02	20.77
Bank deposits placed		(0.02)	(0.03)
B. Net cash used in Investing Activities (B)		(135.44)	(73.54)



Statement of Cash Flows

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		(0.26)	(0.99)
Finance costs		(0.00)	(0.07)
C. Net cash used in Financing Activities (C)		(0.26)	(1.06)
Net increase in cash and cash equivalents (A+B+C) = (D)		31.31	13.45
Cash and cash equivalents at the beginning of the year (E)		52.19	38.74
Cash and cash equivalents at the end of the year (D) +(E)		83.50	52.19
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2018	Cash Flows	Non-cash changes	As at March 31, 2019
Borrowings			Fair value changes	
	0.26	(0.26)	-	-
	As at April 1, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
			Fair value changes	
	1.25	(0.99)	-	0.26

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: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



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.

Recent accounting pronouncements:

(i) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Management of the Company is in the process of evaluating the impact of this amendment on the Company's financial statements.

(ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Management of the Company is in the process of evaluating the impact of this amendment on the Company's financial statements.

(iii) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Management of the company does not expect any impact on the financial statements on account of this amendment.

(iv) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Management of the Company is in the process of evaluating the impact of this amendment on the Company's 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 categorized 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	5 - 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 amortization 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 amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is 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.

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 the Company transfers control of the promised services to the customer. The Company measures revenue, for the consideration to which the Company is expected to be entitled in exchange for transferring promised services.

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.

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 franchisee sales.

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 realizable 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. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans.

k) Foreign currency transactions:

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions 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 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 Profit or loss 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 recognised 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 realization 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 realized.

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 utilized.

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 realized, 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease. Incremental payments structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases are not considered for straight lining.

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).

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 that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

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 recognised 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 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:

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, financial assets 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 and subsidiary:

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

Impairment of financial assets:

The Company applies the expected credit loss model for recognizing 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 or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial instruments:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable is recognised in the Statement of Profit and Loss.

3 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.

3.1 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.

3.1.1 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 2019 and 2018, there were no changes in useful lives of property plant and equipment and intangible assets.

3.1.2 Impairment of property, plant and equipment

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.

3.1.3 Impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analyzing 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.

3.1.4 Deferred tax asset

The Company reviews the carrying value of deferred tax asset (DTA) at the end of each reporting period. The company has not recognised deferred tax assets arising from the carry forward of unused tax losses and tax credits since the company does not have sufficient taxable temporary differences as well as convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company.

3.1.5 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 that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

Note 4

Property, plant and equipment (PPE) and Intangible Assets

₹ In Millions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Carrying amounts of:		
Freehold Land	26.65	26.65
Leasehold Land (Refer note 4.2)	66.24	66.68
Leasehold Improvements	349.10	462.38
Plant and Equipment	188.30	240.47
Furniture and Fixtures	156.54	180.59
Computers	5.17	5.48
Vehicles (owned)	9.35	12.98
Vehicles (taken under finance lease)	-	1.04
Total property, plant and equipment (PPE)	801.35	996.27
Software	4.64	4.38
Trademark	14.06	9.86
Total intangible assets	18.70	14.24

₹ In Millions

Particulars	Freehold Land	Leasehold land (Refer note 2 below)	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total Property, Plant and Equipment (PPE)	Software	Trademark	Total Intangible Assets
Cost or Deemed Cost												
Balance at 1 April, 2017	26.65	67.60	676.71	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	67.60	713.24	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Additions	-	-	34.39	24.44	23.91	2.66	1.55	-	86.95	2.31	9.82	12.13
Disposals	-	-	-	(1.27)	(0.21)	-	(1.70)	(2.19)	(5.37)	-	-	-
Balance at 31 March, 2019	26.65	67.60	747.63	380.58	328.35	15.95	22.19	-	1,588.95	12.76	30.30	43.06
Accumulated depreciation / amortisation and impairment												
Balance at 1 April, 2017	-	(0.48)	(124.16)	(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 expenses (Refer note 1 below)	-	(0.44)	(169.20)	(53.81)	(56.16)	(3.63)	(4.79)	(0.47)	(288.50)	(2.62)	(5.44)	(8.06)
Balance at 31 March, 2018	-	(0.92)	(250.86)	(116.94)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Eliminated on disposal of assets	-	-	-	0.52	0.08	-	0.98	1.32	2.90	-	-	-
Depreciation expenses (Refer note 1 below)	-	(0.44)	(147.67)	(75.86)	(47.83)	(2.97)	(4.46)	(0.17)	(279.40)	(2.05)	(5.62)	(7.67)
Balance at 31 March, 2019	-	(1.36)	(398.53)	(192.28)	(171.81)	(10.78)	(12.84)	-	(787.60)	(8.12)	(16.24)	(24.36)
Carrying amount												
Balance at 31 March, 2018	26.65	66.68	462.38	240.47	180.59	5.48	12.98	1.04	996.27	4.38	9.86	14.24
Balance at 31 March, 2019	26.65	66.24	349.10	188.30	156.54	5.17	9.35	-	801.35	4.64	14.06	18.70

Notes:

- Depreciation for the year includes impairment charge aggregating ₹ 52.51 million (Previous Year - ₹ 37.21 million)
- Land represents the amount where the entity is a lessee under finance lease.

Note 5 Investments

₹ In Millions

	As at 31 March, 2019		As at 31 March, 2018	
	Qty.	Amount	Qty.	Amount
Non-Current				
Unquoted at cost				
a) Investment in Equity instruments				
- Investment in joint venture (Mainland China Restaurant (LLC)) of QAR 1,000 each	490	8.88	490	8.88
Less: Impaired		(8.88)		(8.88)
- Investment in wholly owned subsidiary (Speciality Hospitality UK Limited) of GBP 1 each	4,25,500	39.59	-	-
Total Investments Carrying Value		39.59		-
Aggregate Carrying Value of unquoted investment		39.59		-
Aggregate amount of impairment in value of investment in joint venture		8.88		8.88

Note 6 Other investments

₹ In Millions

	As at 31 March, 2019		As at 31 March, 2018	
	Units	Amount	Units	Amount
Non-Current				
Unquoted				
a) Investment in Government or Trust Securities (NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	0.19	-	0.19
b) Investment in corporate bonds (at FVTPL)	50	49.44	-	-
Total non-current investments	50	49.63	-	0.19
Aggregate Carrying Value of unquoted investments		49.63		0.19
Current				
Unquoted Investments				
a) Investment in Mutual Funds (at FVTPL)				
- Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	2,67,996	99.63	6,31,461	135.97
- HDFC Banking And PSU Debt Fund - Direct Plan - Growth Option	-	-	37,48,455	53.19
- ICICI Equity Arbitrage Fund - Direct Growth	43,65,468	110.22	43,65,468	103.34
- ICICI Prudential Short Term Plan - Direct Plan - Growth Option	-	-	14,44,750	54.18
- Kotak Equity Arbitrage Fund - Direct Plan Growth	43,36,672	117.97	43,36,672	110.65
- Kotak Floater Short Term - Direct Plan - Growth Option	-	-	10,983	31.32
- Kotak Low Duration Fund - Direct Plan - Growth Option	-	-	333	0.73
- Reliance Arbitrage Advantage Fund - Growth Plan	23,62,166	44.73	34,56,838	61.59
- Reliance Quarterly Interval Fund - Series II - Direct Plan - Growth Option	-	-	42,12,513	101.11
- Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend - Re-investment	-	-	868	1.33
- Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option	-	-	3,544	15.02
- Reliance Medium Term Fund - Growth Option	-	-	94,844	3.53
- SBI Liquid Fund Direct Growth	56	0.16	-	-
- SBI Overnight Fund- Direct Plan - Growth	510	1.58	-	-
- SBI Saving Fund-Direct Plan -Growth	42,81,149	128.65	-	-
- HDFC Ultra Short Term Fund - Regular Growth	1,23,52,108	129.17	-	-
Total current investments	2,79,66,125	632.11	2,23,06,729	671.96
Aggregate Carrying Value of unquoted investments		632.11		671.96



Note 7 Loans

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current (unsecured)		
a) Loans to related party		
Credit impaired	76.73	76.73
Less: Allowance for doubtful loans	(76.73)	(76.73)
	-	-
b) Loans to employees	13.83	12.97
Total	13.83	12.97
Current (unsecured, considered good)		
a) Loans to employees	4.44	6.15
Total	4.44	6.15

Note 8 Other financial assets (unsecured)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Security and other deposits		
Considered good	304.17	276.10
Credit impaired	4.85	4.00
Less: Allowance for doubtful receivables	(4.85)	(4.00)
	304.17	276.10
b) Others		
- Reimbursement of expenses		
Considered good		
Credit impaired	47.73	26.46
Less: Allowance for doubtful receivables	(47.73)	(26.46)
	-	-
Total	304.17	276.10
Current		
a) Security and other deposits		
Considered good	30.27	22.92
b) Other recoverables		
Considered good	9.41	0.10
c) Reimbursement of expenses		
Considered good	27.77	49.03
Total	67.45	72.05

Note 9 Other assets (unsecured, considered good unless otherwise stated)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Capital Advances	19.33	31.84
b) Advances to suppliers and others		
Credit impaired	3.57	3.57
Less: Allowance for doubtful receivables	(3.57)	(3.57)
	-	-
c) Others		
- Prepaid expenses and others	2.01	1.34
Credit impaired	13.10	5.96
Less: Allowance for doubtful receivables	(13.10)	(5.96)
	2.01	1.34
d) Advances to related party		
Credit impaired	7.34	7.34
Less: Allowance for doubtful receivables	(7.34)	(7.34)
	-	-
e) Deferred rent	92.08	107.03
f) Balances with government authorities paid under protest	66.61	59.58
g) Advance income tax (net of provision - ₹ 184.72 million) (As at 31 March, 2018 - ₹ 240.11 million)	61.78	63.63
Total	241.81	263.42
Current		
a) Advances to suppliers and others	25.72	15.85
b) Others		
- Prepaid expenses and others		
Considered good	63.84	68.66
c) Deferred Rent	32.04	31.48
d) Balances with government authorities	2.30	1.03
Total	123.90	117.02

Note 10 Inventories

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Inventories (lower of cost and net realisable value)		
- Food and beverage items	60.91	65.49
- Others	5.21	4.43
- Stock in transit	0.70	0.53
Total	66.82	70.45

The mode of valuation of inventories has been stated in note 2(i)

Note 11 Trade Receivables

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
(Unsecured)		
a) Trade receivables		
Considered good	53.92	63.94
Credit impaired	61.08	59.73
	115.00	123.67
Less: Allowance for doubtful debts	(61.08)	(59.73)
Total	53.92	63.94



Note 12 Cash and Cash Equivalents and other bank balances

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Balances with Banks		
i) In current accounts	31.70	25.22
ii) In fixed deposits accounts	43.68	22.80
b) Cash on hand	8.12	4.17
Cash and cash equivalents	83.50	52.19
Bank balances other than above		
a) In earmarked accounts		
i) Unpaid dividend accounts	0.13	0.13
b) Fixed deposits under lien	0.67	0.65
Total	0.80	0.78

Note 13 Share capital

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Authorised Share Capital		
13.1 Equity share capital		
5,10,00,000 fully paid equity shares of ₹ 10 each	510.00	510.00
Preference share capital		
70,00,000 fully paid compulsorily convertible preference shares of ₹ 10 each	70.00	70.00
13.2 Issued, subscribed capital and fully paid up:		
4,69,57,657 fully paid equity shares of ₹ 10 each	469.58	469.58
(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)		
Total	469.58	469.58
13.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year		
Number of shares outstanding as at the beginning and at the end of the year	4,69,57,657	4,69,57,657

13.4 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.

13.5 Shares reserved for issue under options (Refer note 31)	As at 31 March, 2019	As at 31 March, 2018
Number of shares outstanding as at the end of the year	1,88,400	3,37,500

13.6 Details of shares held by each shareholder holding more than 5% shares in the company are set out below

	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Anjan Chatterjee	1,20,70,000	25.70%	1,20,70,000	25.70%
Suchhanda Chatterjee	1,19,70,000	25.49%	1,19,70,000	25.49%
Deepak Bhagnani	42,08,496	8.96%	54,94,602	11.70%

Note 14 Other equity

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Capital Reserve	1.67	1.67
b) Securities premium reserve	1,626.50	1,626.50
c) Share options outstanding account	10.91	12.93
d) Retained earnings	112.06	179.96
Total	1,751.14	1,821.06

14.1 Capital Reserve

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
Balance at end of the year	1.67	1.67

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

14.2 Securities premium reserve

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
Balance at end of the 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.

14.3 Retained earnings

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	179.96	710.32
Loss as per Statement of profit and loss	(63.44)	(534.05)
Other comprehensive income for the year	(4.46)	3.69
Balance at end of the year	112.06	179.96

14.4 ESOP outstanding account

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	12.93	11.39
(Income)/expenses recognised in respect of equity-settled shared based payments	(2.02)	1.54
Balance at end of the year	10.91	12.93

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 31

Note 15 Trade payables

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Trade payables	411.31	424.02
Total	411.31	424.02



15.1 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, 2019	As at 31 March, 2018
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.88	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	0.88	-

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 16 Other financial liabilities

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Rent payable	86.59	88.45
b) Security deposit received	23.10	13.10
Total	109.69	101.55
Current		
a) Current maturities of finance lease obligations (Refer note below)	-	0.26
b) Unpaid dividends	0.13	0.13
c) Other payables		
- Payables for purchase of property, plant and equipment	19.31	19.40
- Rent payable	2.84	0.17
Total	22.28	19.96

Note:

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 9.21%

Note 17 Other current liabilities

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Advances received from customers	2.86	2.58
b) Others		
- Statutory remittances	37.43	32.62
- Payable on account of gratuity (net)	33.26	19.80
- Others	14.29	14.95
Total	87.84	69.95

Note 18 Revenue from operations

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of services		
a) Income from sale of food and beverages	3,397.82	2,908.53
b) Royalty and management fees from franchisees	40.22	38.14
c) Others	25.60	21.24
Total	3,463.64	2,967.91

Note 19 Other Income

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
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)	1.16	1.27
- Other financial assets carried at amortised cost	12.67	4.97
- Other financial assets carried at FVTPL	1.93	-
- Unwinding effect of security deposits	33.26	34.55
	49.02	40.79
b) Dividend income		
- Dividend on mutual funds	0.02	20.77
	0.02	20.77
c) Other gains and losses		
- Gain on disposal of property, plant and equipment (net)	0.24	0.72
- Gain on sale of current investments (net)	29.03	5.54
- Gain arising on remeasurement of financial assets designated as at FVTPL (net)	15.41	10.94
	44.68	17.20
d) Miscellaneous income		
- Miscellaneous income	0.83	0.27
	0.83	0.27
(a + b + c + d)	94.55	79.03

Note 20 Cost of materials consumed

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Food & Beverages		
Opening stock	66.02	66.85
Add: Purchases	1,084.68	952.56
	1,150.70	1,019.41
Less: Closing stock	(61.61)	(66.02)
Total	1,089.09	953.39



Note 21 Employee benefits expense

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Salaries and wages	692.58	642.40
b) Contribution to provident and other funds (Refer note 30)	59.17	61.53
c) (Income)/expenses recognised in respect of equity-settled shared based payments (Refer note 31)	(2.02)	1.54
d) Staff welfare expenses	55.77	59.14
Total	805.50	764.61

Note 22 Finance costs

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest costs		
a) Interest on obligations under finance leases	0.00	0.07
Total	0.00	0.07

Note 23 Depreciation and amortisation expense

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Depreciation of property, plant and equipment (Refer note 4)	279.40	288.50
b) Amortisation of intangible assets (Refer note 4)	7.67	8.06
Total depreciation and amortisation expense	287.07	296.56

Note 24 Impairment losses on financial assets and reversal of impairment on financial assets

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Impairment loss allowance on trade receivables	4.30	-
b) Impairment loss allowance on other financial assets carried at amortised cost	32.85	7.96
Total	37.15	7.96

Note 25 Other expenses

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Rent (Refer note 33)	633.54	525.22
b) Power and fuel	200.41	190.75
c) Rates, taxes and licence Fee	70.56	90.74
d) Operating supplies	80.01	73.04
e) Insurance	3.95	3.62
f) Advertising and marketing expenses (net of recoveries)	68.70	45.52
g) Payment to Auditors (Refer note 25.1 below)	5.18	5.28
h) Repairs and maintenance - Machinery	37.03	25.80
i) Repairs and maintenance - Building	113.45	93.24
j) Repairs and maintenance - Others	30.93	31.63
k) Miscellaneous expenses	148.95	149.54
Total	1,392.71	1,234.38

25.1 Payments to auditors

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
- As auditor - statutory audit	3.75	3.75
- For tax audit	0.40	0.40
- For other services *	0.92	1.02
- For reimbursement of expenses	0.11	0.11
Total	5.18	5.28

* includes ₹ 0.51 million (previous year - ₹ 0.16 million) to an affiliated firm of the auditors

Note 26 Contingent liabilities (to the extent not provided for)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Claims against the Company not confirmed as debts		
a. Legal cases against the Company	166.16	166.16
b. Sales tax demands	121.88	80.10
c. Income tax demands	0.92	3.79
d. Service tax demands	201.53	78.75
Total	490.49	328.80

Note 27 Commitments

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	88.93	36.40
b) Investment in Speciality Hospitality UK Limited (Subsidiary)	27.17	7.00
	116.10	43.40

Note 28 Earnings per share (EPS)

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(63.44)	(534.05)
Weighted Average Number of Equity Shares for Basic Earnings per share	4,69,57,657	4,69,57,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	4,69,57,657	4,69,57,657
Basic Earnings Per Share (in ₹)	(1.35)	(11.37)
Diluted Earnings Per Share (in ₹)	(1.35)	(11.37)
Nominal value per share (in ₹)	10	10

Note 29 Obligations under finance leases**29.1 Leasing arrangements**

The Company has taken on lease lands and vehicles.

The leasehold lands acquired by the Company are for the period of 60 to 999 years. At the end of the lease period the company will approach the lessor to renew the properties.

Vehicle is taken on a lease for period of 5 years. At the end of the lease period the vehicle will be transferred in the name of the Company. Interest rate underlying the obligation under finance lease of the vehicle, is fixed at respective contract dates, is 9.21% per annum

29.2 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, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	-	0.27	-	0.26
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	0.27	-	0.26
Less: future finance charges	-	(0.01)	-	-
Present value of minimum lease payments	-	0.26	-	0.26

	As at 31 March, 2019	As at 31 March, 2018
Included in the financial statements as:		
- Current maturities of finance lease obligations (note 16)	-	0.26



Note 30 Employee benefit plans

30.1 Defined contribution plans

The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contribution. The total expense recognised in the Statement of Profit and Loss represents contributions payable to these plans by the company at rates specified in the rules of the plans.

The Company has recognised the following amounts as expense in the Statement of Profit and Loss:

₹ In Millions

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Contribution to provident fund	30.74	32.46
Contribution to employees' state insurance corporation	18.17	16.79
Contribution to labour welfare fund	0.14	0.15
Total	49.05	49.40

30.2 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.

30.3 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 in higher proportion of the plan participants will increase the plan's liability.

30.4 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.

	Valuation as at	
	As at 31 March, 2019	As at 31 March, 2018
Discount rate(s)	7.15%	7.60%
Expected rate(s) of salary increase	4.50%	4.50%

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, 2019	For the year ended 31 March, 2018
Current service cost	9.36	10.61
Past service cost	-	1.11
Interest on net defined benefit liability / (asset)	0.75	0.42
Components of defined benefit costs recognised in profit or loss	10.11	12.14

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.34	1.02
Actuarial gain arising from changes in demographic assumptions	(0.03)	-
Actuarial losses/(gains) arising from changes in financial assumptions	2.06	(2.26)
Actuarial losses/(gains) arising from experience adjustments	1.09	(2.45)
Components of defined benefit costs recognised in other comprehensive income	4.46	(3.69)
Total	14.57	8.45

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, 2019	As at 31 March, 2018
Present value of funded defined benefit obligation	59.74	52.25
Fair value of plan assets	26.48	32.45
Net liability arising from defined benefit obligation	33.26	19.80

- (d) **Movements in the present value of the defined benefit obligation are as follows.**

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening defined benefit obligation	52.25	55.08
Current service cost	9.36	10.61
Past service cost	-	1.11
Interest cost	3.59	3.53
Remeasurement (gains)/losses:		
Actuarial gain arising from changes in demographic assumptions	(0.03)	-
Actuarial losses/(gains) arising from changes in financial assumptions	2.06	(2.26)
Actuarial losses/(gains) arising from experience adjustments	1.09	(2.45)
Benefits paid	(8.58)	(13.36)
Closing defined benefit obligation	59.74	52.25

- (e) **Movements in the fair value of the plan assets are as follows.**

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening fair value of plan assets	32.45	43.09
Interest income	2.83	3.10
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(1.34)	(1.03)
Contributions from the employer	1.12	0.65
Benefits paid	(8.58)	(13.36)
Closing fair value of plan assets	26.48	32.45

- (f) **Breakup of Plan Assets**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Insurer Managed Funds	100%	100%

The Company expects to make a contribution of ₹ 33.26 Million (as at 31 March, 2018: ₹ 19.80 Million) to the defined benefit plans during the next financial year.



(g) **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 are the discount rate and the future salary escalation rate. The following table summarizes the impact 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, 2019	For the year ended 31 March, 2018
Discount Rate		
Impact of increase in 50 bps on defined benefit obligation	(2.29)	(1.91)
Impact of decrease in 50 bps on defined benefit obligation	2.46	2.05

Salary escalation rate

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salary escalation rate		
Impact of increase in 50 bps on defined benefit obligation	2.51	2.10
Impact of decrease in 50 bps on defined benefit obligation	(2.35)	(1.96)

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.

Note 31 Employee Stock Option Scheme (ESOS)

- 31.1** 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 a 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 2019 and 31 March 2018. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	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	3,37,500	126.20	4,82,400	126.20
Options granted during the year	-	-	-	-
Options forfeited during the year	36,600	126.20	77,000	126.20
Options exercised during the year	-	-	-	-
Options expired during the year	1,12,500	126.20	67,900	126.20
Options outstanding at the end of the year	1,88,400	126.20	3,37,500	126.20
Options exercisable at the end of the year		1,88,400		3,37,500
Exercise price of outstanding options as per ESOS scheme (₹)		126.20		126.20
Remaining contractual life of outstanding options (years)		0.94 years		1.44 years

31.2 Fair value of share options granted in the year

There are no new grants during the financial year 2018-19

Note 32 Financial Instruments

32.1 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 borrowing outstanding as at the year end. The Company is not subject to any externally imposed capital requirements.

32.2 Categories of financial instruments

₹ In Millions

	As at	
	31 March, 2019	31 March, 2018
Financial assets		
Measured at amortised cost		
(a) Cash and cash equivalents	83.50	52.19
(b) Bank balance other than covered in (a) above	0.80	0.78
(c) Trade Receivables	53.92	63.94
(d) Loans	18.28	19.12
(e) Other financial assets	371.62	348.15
Measured at FVTPL		
(a) Investment in mutual funds	632.11	671.96
(b) Investment in corporate bonds	49.44	-
Financial liabilities		
Measured at amortised cost		
(a) Trade Payables	411.31	424.02
(b) Other financial liabilities	131.97	121.51

32.3 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 and cash and short-term deposits that are derived directly from its operations. Current investments are optimal deployment of excess funds.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency 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.

32.3.1 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 minimal since the possession of the premises is retained till the refund is collected or there are liabilities outstanding against which the asset can be adjusted.

32.3.2 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 borrowing outstanding as at the year end. 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 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, 2019					
Trade Payables	411.31	-	-	-	411.31
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	19.31				19.31
Rent payable	2.84	18.19	31.95	36.44	89.42
Security deposit received	-	3.10	20.00	-	23.10
	433.59	21.29	51.95	36.44	543.27
31 March, 2018					
Trade Payables	424.02	-	-	-	424.02
Borrowings	0.26	-	-	-	0.26
Unpaid dividends	0.13	-	-	-	0.13
Payables for 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	-	3.10	10.00	-	13.10
	443.98	24.70	41.49	35.36	545.53

32.3.3 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 quarterly 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, 2019		As at 31 March, 2018	
	₹ 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 171,635	12.21	USD 176,949
Reimbursement of Expenses	2.12	USD 34,494	2.09	USD 34,181
	14.33		14.30	
Amounts payable in foreign currency on account of the following:				
Professional fees	0.83	USD 11,966	1.95	USD 29,934
Professional fees	2.28	GBP 25,167	-	-
	3.11		1.95	

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.

32.4 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.

32.4.1 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
		31 March, 2019	31 March, 2018	
1	Investments in Mutual funds	632.11	671.96	Level 1
2	Investment in Corporate bonds	49.44	-	Level 1

32.4.2 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 33 Operating lease arrangements

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

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Payable not later than one year	117.98	79.90
Payable later than one year but not later than five years	134.01	111.49
Payable later than five years	-	-
	<u>251.99</u>	<u>191.39</u>

33.2 Lease payments recognised in the statement of profit or loss are as under:

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Fixed lease rentals	560.65	460.97
Contingent lease rentals	36.58	30.58
	<u>597.23</u>	<u>491.55</u>

33.3 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 34 Segment information

The principal business of the Company is operating food outlets/ sweet shops. All other activities of the Company revolve around its principal 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. The Company predominantly operates in one geography i.e. India.



Note 35 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	Executive Directors Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee Mr. Indroneil Chatterjee Non Executive Directors 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 Dutta (resigned w.e.f. August 31, 2017)
3	Relative of Promoters	Mr. Avik Chatterjee (Son of Mr. Anjan Chatterjee) Mrs. Harshita Deshpande (Daughter of Mr. Anjan Chatterjee)
4	Enterprises over which directors or relatives of directors exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P)Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Jointly 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	Wholly owned subsidiary	Joint Venture Company	Total
Transactions during the period ended 31 March 2019						
Franchisee Income						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	-	-
	-	-	-	-	(0.34)	(0.34)
Total	-	-	-	-	-	-
	-	-	-	-	(0.34)	(0.34)
Remuneration (Refer note 3 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	-	1.20	-	-	-	1.20
	-	(0.85)	-	-	-	(0.85)
Mrs. Harshita Deshpande	-	0.13	-	-	-	0.13
	-	-	-	-	-	-
Total	10.20	1.33	-	-	-	11.53
	(10.20)	(0.85)	-	-	-	(11.05)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Wholly owned subsidiary	Joint Venture Company	Total
Sitting Fees paid to Non Executive Directors						
Mr. Rakesh Pandey	0.32	-	-	-	-	0.32
	(0.13)	-	-	-	-	(0.13)
Mr. Ullal Ravindra Bhat	0.34	-	-	-	-	0.34
	(0.24)	-	-	-	-	(0.24)
Mr. Dushyant Mehta	0.36	-	-	-	-	0.36
	(0.27)	-	-	-	-	(0.27)
Mr. Susim Mukul Dutta	-	-	-	-	-	-
	(0.05)	-	-	-	-	(0.05)
Total	1.02	-	-	-	-	1.02
	(0.69)	-	-	-	-	(0.69)
Rent and other expenses paid						
Situations Advertising & Marketing Services Private Limited						
- Rent	-	-	35.60	-	-	35.60
	-	-	(33.05)	-	-	(33.05)
- Retainership Fees	-	-	1.42	-	-	1.42
	-	-	(1.27)	-	-	(1.27)
- Advertisement Expenses	-	-	2.78	-	-	2.78
	-	-	(9.08)	-	-	(9.08)
- Reimbursement of Expenses	-	-	11.11	-	-	11.11
	-	-	(8.50)	-	-	(8.50)
Prosperous Promoters Private Limited	-	-	2.95	-	-	2.95
	-	-	(6.36)	-	-	(6.36)
Others	3.09	-	3.56	-	-	6.65
	(3.11)	-	(5.48)	-	-	(8.59)
Total	3.09	-	57.42	-	-	60.51
	(3.11)	-	(63.74)	-	-	(66.85)
Security deposits given						
Situations Advertising & Marketing Services Private Limited	-	-	0.50	-	-	0.50
	-	-	-	-	-	-
Total	-	-	0.50	-	-	0.50
	-	-	-	-	-	-
Provision for impairment of receivables and investments						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	-	-
	-	-	-	-	(101.41)	(101.41)
Total	-	-	-	-	-	-
	-	-	-	-	(101.41)	(101.41)
Investment in Wholly Owned Subsidiary Company						
Speciality Hospitality UK Limited	-	-	-	39.59	-	39.59
	-	-	-	-	-	-
Total	-	-	-	39.59	-	39.59
	-	-	-	-	-	-
Balances as at 31 March 2019						
Other payables						
Situations Advertising & Marketing Services Private Limited	-	-	6.66	-	-	6.66
	-	-	(14.58)	-	-	(14.58)
Prosperous Promoters Private Limited	-	-	1.55	-	-	1.55

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Wholly owned subsidiary	Joint Venture Company	Total
Others	- 2.11 (2.11)	- 0.09 (0.09)	(1.55) 2.55 (2.66)	- - -	- - -	(1.55) 4.75 (4.86)
Total	2.11 (2.11)	0.09 (0.09)	10.76 (18.79)	- -	- -	12.96 (20.99)
Security deposits						
Situations Advertising & Marketing Services Private Limited	-	-	50.50	-	-	50.50
Prosperous Promoters Private Limited	-	-	(50.00) 28.11 (28.11)	- - -	- - -	(50.00) 28.11 (28.11)
Others	3.00 (3.00)	- -	9.10 (9.10)	- -	- -	12.10 (12.10)
Total	3.00 (3.00)	- -	87.71 (87.21)	- -	- -	90.71 (90.21)
Franchisee Income Receivable (Refer note 1 below)						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	3.30 (3.30)	3.30 (3.30)
Total	- -	- -	- -	- -	3.30 (3.30)	3.30 (3.30)
Advance to Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	12.50 (12.50)	12.50 (12.50)
Total	- -	- -	- -	- -	12.50 (12.50)	12.50 (12.50)
Loan given to Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	76.72 (76.72)	76.72 (76.72)
Total	- -	- -	- -	- -	76.72 (76.72)	76.72 (76.72)
Investment in Joint Venture Company (Refer note 1 below)						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	8.88 (8.88)	8.88 (8.88)
Total	- -	- -	- -	- -	8.88 (8.88)	8.88 (8.88)
Investment in Wholly Owned Subsidiary Company						
Speciality Hospitality UK Limited	-	-	-	39.59	-	39.59
Total	- -	- -	- -	39.59 -	- -	39.59 -

Notes

- These balances have been fully provided and have been disclosed as an exceptional item in the previous year (refer note 39)
- Figures in paranthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March 2018 in relation to the Balance Sheet
- 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 36
(a) Income tax expense recognised in the Statement of profit & loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of current year	9.00	-
In respect of prior years	1.11	-
Deferred tax	-	222.61
Total	10.11	222.61

Unused tax losses

Particulars	As at March 31, 2019	As at March 31, 2018
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation	222.68	108.83
Long term capital loss	71.39	32.00
Total	294.07	140.83

Note: The accumulated long term capital loss would start to expire under the tax laws from 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. Deferred tax assets have been restricted to deferred tax liabilities. Accordingly no deferred tax assets/(liabilities) have been recognised.
- (ii) Deferred tax assets/(liabilities) in relation to:

Particulars	As at 1 April 2017	Recognised in Total Comprehensive Income	As at 31 March 2018	Recognised in Total Comprehensive Income	As at 31 March 2019
Property, plant and equipment & Intangible assets	161.59	(161.59)	-	-	-
Provision for doubtful debts/advances	27.53	(27.53)	-	-	-
Provision for expenses	17.53	(17.53)	-	-	-
Investment in joint venture	0.29	(0.29)	-	-	-
FVTPL financial assets	(1.21)	1.21	-	-	-
Lease rent equalisation	16.69	(16.69)	-	-	-
Lease deposits	2.94	(2.94)	-	-	-
Others	-	-	-	-	-
Defined benefit obligation	(2.75)	2.75	-	-	-
Deferred tax assets/(liabilities) (net)	222.61	(222.61)	-	-	-



Note 37 The utilisation of IPO proceeds is summarised below:

₹ in Lakhs

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	Variations in plan approved for financial year 2015-2018	Amount Utilised upto March 31, 2018	Balance amount to be utilised as on March 31, 2018. (Plan approved for utilisation till March 31, 2021)	Amount Utilised upto March 31, 2019	Balance amount to be utilised as on March 31, 2019
A	B	C	D	E	F	G	H	I
(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	3,554	2,231	1,193	1,038
(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	-	3,554	2,231	1,193	1,038

Note:

- The amount shown in column G (ii) represents unutilised amount as on March 31, 2018 related to the objects disclosed in the prospectus dated May 22, 2012 and 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 amount shown in column H (ii) represents utilised amount after March 31, 2018 upto March 31, 2019

Note 38 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 2019	31 March 2018
Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	Restaurant business	Doha, Qatar	49%	49%

Note 39 Exceptional Item

The exceptional item in the previous year related to a provision of financial assets on account of restructuring pertaining to the joint venture company in Doha, Qatar. During the previous year, the Company along with the joint venture partner had entered into a Memorandum of Understanding (MOU) with potential buyers in Doha 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, in the previous year 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 40

Effective 1 April 2018, the Company adopted Ind AS 115 'Revenue from contracts with customers'. The effect on adoption of Ind AS 115 on the financial statements is insignificant.

Note 41 Approval of financial statements

The financial statements were approved for issue by the board of directors on 29 May 2019.

CONSOLIDATED FINANCIAL STATEMENTS 2018-19

INDEPENDENT AUDITOR'S REPORT

To The Members of Speciality Restaurants Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Speciality Restaurants Limited "the Parent" and its subsidiary company, (the Parent and its subsidiary, together referred to as "the Group") which includes the Group's share of loss in its joint venture company, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of separate financial information of the joint venture company and subsidiary company certified by the Management, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture company as at 31 March 2019, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	The nature of operations of the Company being driven by restaurant and confectionary sales, the focus of internal reporting as well as of external stakeholders is on revenue which could be a causal factor to record revenues for sales that either did not occur, or for which the revenue recognition criteria may not have been met. This risk is furthered considering that the gross margins on the sales being high and also since the Company has restaurants and confectioneries located across the country. We have therefore specifically focused on the said risk and have considered this to be a key audit matter	Assessed the appropriateness of the Company's revenue recognition accounting policies by mapping them with applicable accounting standards; Performed a walkthrough of the revenue business cycle to gain an understanding of the relevant risks and controls around revenue recognition. We also tested the design, implementation and operating effectiveness of the relevant controls. Tested transactions on a sample basis by, agreeing sales with the invoices, kitchen order tickets and other supporting documents and evidences supporting collections for these samples. Performed a review of the reconciliation for the revenue recorded for the full year with the cash collection, card collection, collections from food aggregators etc., as applicable, to confirm that the revenue recorded is supported by collections. We also reviewed variations in revenue over the corresponding period and tested any unusual transactions to determine whether the information corroborates with the revenue recorded in the books of account.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial information of the joint venture company and subsidiary company certified by the Management, to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and joint venture company, is traced from their financial information certified by the Management.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its 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 Group and its joint venture company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for assessing the ability of the Group and of its joint venture company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture company to express an opinion on the consolidated financial statements. .

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial information of 1 subsidiary, whose financial information reflect total assets of ₹ 24.24 million as at 31 March 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 26.36 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 0.22 million for the year ended 31 March, 2019, as considered in the consolidated financial statements, in respect of 1 joint venture company, whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and, joint venture company is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated 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 financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the separate financial information of the subsidiary and joint venture company referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on 31 March 2019 taken on record by the Board of Directors of the Company, none of the directors of the Parent is disqualified as on 31 March 2019 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 Parent company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent company.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company.
 - ii) The Group 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 Parent incorporated in India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Rakesh N. Sharma

(Partner)

Place: Mumbai

Date: 29 May 2019

(Membership No. 102042)

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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Speciality Restaurants Limited (hereinafter referred to as “the Parent”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent, 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 Parent’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 Parent’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 Parent’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 Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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: 29 May 2019



Consolidated Balance Sheet

₹ In Millions

Particulars	Notes	As at 31 March, 2019	As at 31 March, 2018
ASSETS			
Non-current assets			
a. Property, Plant and Equipment	4	801.35	996.27
b. Capital work-in-progress		352.29	288.39
c. Intangible assets	4	18.70	14.24
d. Financial assets			
i. Investments			
(a) Investment in equity instruments	5	-	-
(b) Other investments	6	49.63	0.19
ii. Loans	7	13.83	12.97
iii. Other financial assets	8	304.17	276.10
e. Other non-current assets	9	241.81	263.42
Total non-current assets		1,781.78	1,851.58
Current assets			
a. Inventories	10	66.82	70.45
b. Financial assets			
i. Other investments	6	632.11	671.96
ii. Trade receivables	11	53.92	63.94
iii. Cash and cash equivalents	12	109.85	52.19
iv. Bank balances other than (iii) above	12	0.80	0.78
v. Loans	7	4.44	6.15
vi. Other financial assets	8	67.45	72.05
c. Other current assets	9	123.90	117.02
Total current assets		1,059.29	1,054.54
Total Assets		2,841.07	2,906.12
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	13	469.58	469.58
b. Other equity	14	1,724.14	1,809.61
Total equity		2,193.72	2,279.19
Liabilities			
Non-current liabilities			
a. Financial Liabilities			
i. Other financial liabilities	16	109.69	101.55
Total non-current liabilities		109.69	101.55
Current liabilities			
a. Financial Liabilities			
i. Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		0.88	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		414.99	424.02
ii. Other financial liabilities	16	22.28	19.96
b. Other current liabilities	17	99.51	81.40
Total current liabilities		537.66	525.38
Total liabilities		647.35	626.93
Total Equity and Liabilities		2,841.07	2,906.12
Significant accounting policies	2		
The accompanying notes 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: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019

Consolidated Statement of Profit and Loss

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I Revenue from operations	18	3,463.64	2,967.91
II Other income	19	94.55	79.03
III Total Income (I + II)		3,558.19	3,046.94
IV Expenses			
Cost of materials consumed	20	1,089.09	953.39
Employee benefits expense	21	818.77	764.61
Finance costs	22	0.00	0.07
Depreciation and amortisation expense	23	287.07	296.56
Impairment loss on financial assets	24	37.15	7.96
Other expenses	25	1,393.89	1,234.38
Total Expenses		3,625.97	3,256.97
V Loss before share of loss in Joint venture, exceptional item and tax (III - IV)		(67.78)	(210.03)
VI Share of loss in Joint venture company		(0.22)	(19.22)
VII Loss before exceptional item and tax (V - VI)		(68.00)	(229.25)
VIII Exceptional item (Refer note 39)		-	15.80
IX Loss before tax (VII - VIII)		(68.00)	(245.05)
X Tax expense	36		
(1) Current tax		9.00	-
(2) Deferred tax		-	222.61
(3) Short provision for tax relating to prior years		1.11	-
		10.11	222.61
XI Loss for the year (IX - X)		(78.11)	(467.66)
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan		(4.46)	3.69
(b) Items that may be reclassified to profit or loss			
- Exchange differences arising on translating the foreign operations		(0.88)	-
XII Total other comprehensive (loss)/income		(5.34)	3.69
XIII Total comprehensive loss for the period (XI + XII)		(83.45)	(463.97)
Earnings per equity share	28		
(1) Basic (in ₹)		(1.66)	(9.96)
(2) Diluted (in ₹)		(1.66)	(9.96)
Significant accounting policies	2		
The accompanying notes 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

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Company Secretary & Legal Head

Ullal Ravindra Bhat

Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977

Place: Mumbai

Date: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



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 March 31, 2018	13	469.58	-	469.58
As at March 31, 2019		469.58	-	469.58

B. OTHER EQUITY

₹ In Millions

Particulars	Notes	Capital Reserve	Securities Premium Account	Retained Earnings	Share options outstanding account	Foreign currency translation reserve	Total
As at March 31, 2017	14	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		-	-	3.69	-	-	3.69
Total comprehensive 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
Loss for the year		-	-	(78.11)	-	-	(78.11)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(2.02)	-	(2.02)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(4.46)	-	-	(4.46)
Other comprehensive loss arising from exchange differences arising on translating the foreign operations		-	-	-	-	(0.88)	(0.88)
Total comprehensive loss for the year		-	-	(82.57)	(2.02)	(0.88)	(85.47)
As at March 31, 2019		1.67	1,626.50	85.94	10.91	(0.88)	1,724.14
Significant accounting policies	2						

The accompanying notes 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

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Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977

Place: Mumbai

Date: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



Consolidated Statement of Cash Flows

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Cash flow from Operating Activities			
Loss before tax		(68.00)	(245.05)
Adjustments for:			
Depreciation and amortisation expense		287.07	296.56
Gain on sale of Property, plant and equipment (net)		(0.24)	(0.72)
Share of loss in joint venture		0.22	19.22
Profit on sale of investments (net)		(29.03)	(5.54)
Gain on fair value of investments		(15.41)	(10.94)
Finance costs		0.00	0.07
Interest income from banks/others		(13.83)	(3.09)
Interest on income tax refund		(9.22)	(3.14)
Dividend on current investments		(0.02)	(20.77)
Unwinding effect of security deposits		2.25	5.67
Sundry balances written off		0.40	-
(Income)/expenses recognised in respect of equity-settled shared based payments		(2.02)	1.54
Lease rent equalisation adjustment		0.81	(6.56)
Provision for doubtful debts and advances		37.15	23.75
Foreign exchange (gain)/loss (net)		(0.38)	0.28
Operating Profit before working capital changes		189.75	51.28
Adjustments for (increase)/decrease in operating assets:			
Inventories		3.63	0.91
Trade receivables		5.72	(17.40)
Other current financial assets		13.82	0.16
Other non-current financial assets		(42.72)	30.81
Other current assets		(6.32)	(15.87)
Other non-current assets		(14.84)	(24.57)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		(8.17)	45.96
Other current liabilities		13.65	1.15
Other non-current financial liabilities		10.00	10.00
Cash generated from operations		164.52	82.43
Net income tax (paid)/refund		(8.29)	5.62
A. Net cash generated from Operating Activities (A)		156.23	88.05



Consolidated Statement of Cash Flows

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2019	For the year ended 31 March, 2018
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(150.55)	(150.41)
Proceeds from sale of property, plant and equipment		2.71	11.81
Investment in corporate bonds		(49.44)	-
Purchase of current investments		(1,257.77)	(1,124.81)
Proceeds from sale of current investments		1,342.07	1,161.60
Current loans		1.71	0.85
Non-current loans		(0.87)	1.32
Interest received		13.83	5.36
Dividend received		0.02	20.77
Bank deposits placed		(0.02)	(0.03)
B. Net cash used in Investing Activities (B)		(98.31)	(73.54)
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		(0.26)	(0.99)
Finance costs		(0.00)	(0.07)
C. Net cash used in Financing Activities (C)		(0.26)	(1.06)
Net increase in cash and cash equivalents (A+B+C) = (D)		57.66	13.45
Cash and cash equivalents at the beginning of the year (E)		52.19	38.74
Cash and cash equivalents at the end of the year (D) +(E)		109.85	52.19
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2018	Cash Flows	Non-cash changes	As at March 31, 2019
Borrowings			Fair value changes	
	0.26	(0.26)	-	-
	As at April 1, 2017	Cash Flows	Non-cash changes	As at March 31, 2018
			Fair value changes	
	1.25	(0.99)	-	0.26

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: 29 May, 2019

Place: Mumbai

Date: 29 May, 2019



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 COMPANY BACKGROUND

Speciality Restaurants Limited ('the Company') is a limited company incorporated in India. The Company and its subsidiary (hereinafter referred to as "the Group") and its joint venture company is 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.

Recent accounting pronouncements:

(i) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Management is in the process of evaluating the impact of this amendment on the consolidated financial statements.

(ii) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Management is in the process of evaluating the impact of this amendment on the consolidated financial statements.

(iii) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Management is in the process of evaluating the impact of this amendment on the consolidated financial statements.

(iv) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Management is in the process of evaluating the impact of this amendment on the consolidated financial statements.

b) Basis of preparation of 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 Group 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 categorized 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 incorporate the financial statements of the Company and the entity controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The financial statements of the Group and the joint venture company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2019. When necessary, adjustments are made to the financial statements of the subsidiary and the joint venture company to bring their accounting policies into line with the Group's accounting policies. The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group'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 Group'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 Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in that joint venture), the Group discontinues recognising its share of further losses. Additional losses are however recognised to the extent that the Group 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 entities have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	% of Holding power either directly or indirectly as at 31 March 2018 and 31 March 2019
Speciality Hospitality UK Limited	Subsidiary	United Kingdom	100%
Mainland China & Indigrill Restaurant LLC	Joint venture	Qatar	49%

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 Group'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	5 - 15 years
Vehicles	8 - 10 years

The Group 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 Group 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 amortization 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 amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Group capitalizes 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 Group 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.

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 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.

h) Revenue Recognition:

Revenue is recognised when the Group transfers control of the promised services to the customer. The Group measures revenue, for the consideration to which the Group is expected to be entitled in exchange for transferring promised services.

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.

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 franchisee sales.

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 realizable 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 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 Group'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. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans.

l) Foreign currency transactions and translations:

The functional currency of the Company is the Indian Rupee.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currency) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of the each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

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 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 Profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group'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 recognised 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 realization 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 realized.

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 utilized.

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 realized, 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 Group 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.

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 Group 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease. Incremental payments structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases are not considered for straight lining.

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 Group.

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

r) Provisions and contingencies:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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).

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

A contingent asset is neither recognised nor disclosed in the 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in 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 Group 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 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:

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, financial assets 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 Group'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 Group applies the expected credit loss model for recognizing 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 or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Group 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 Group 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.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial instruments:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable is recognised in the Statement of Profit and Loss.

3 Critical accounting judgments and key sources of estimation uncertainty

In application of the Group'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.

3.1 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.

3.1.1 Useful lives of property, plant and equipment

The Group 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 2019 and 2018, there were no changes in useful lives of property plant and equipment and intangible assets.

3.1.2 Impairment of property, plant and equipment

The Group 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.

3.1.3 Impairment of trade receivables

The Group estimates the probability of collection of accounts receivable by analyzing 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.

3.1.4 Deferred tax asset

The Group reviews the carrying value of deferred tax asset (DTA) at the end of each reporting period. The company has not recognised deferred tax assets arising from the carry forward of unused tax losses and tax credits since the company does not have sufficient taxable temporary differences as well as convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group.

3.1.5 Contingencies

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

Note 4 Property, plant and equipment (PPE) and Intangible Assets ₹ In Millions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Carrying amounts of:		
Freehold Land	26.65	26.65
Leasehold Land (Refer note 4.2)	66.24	66.68
Leasehold Improvements	349.10	462.38
Plant and Equipment	188.30	240.47
Furniture and Fixtures	156.54	180.59
Computers	5.17	5.48
Vehicles (owned)	9.35	12.98
Vehicles (taken under finance lease)	-	1.04
Total property, plant and equipment (PPE)	801.35	996.27
Software	4.64	4.38
Trademark	14.06	9.86
Total intangible assets	18.70	14.24

₹ In Millions

Particulars	Freehold Land	Leasehold land (Refer note 2 below)	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total Property, Plant and Equipment (PPE)	Software	Trademark	Total Intangible Assets
Cost or Deemed Cost												
Balance at 1 April, 2017	26.65	67.60	676.71	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	67.60	713.24	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Additions	-	-	34.39	24.44	23.91	2.66	1.55	-	86.95	2.31	9.82	12.13
Disposals	-	-	-	(1.27)	(0.21)	-	(1.70)	(2.19)	(5.37)	-	-	-
Balance at 31 March, 2019	26.65	67.60	747.63	380.58	328.35	15.95	22.19	-	1,588.95	12.76	30.30	43.06
Accumulated depreciation / amortisation and impairment												
Balance at 1 April, 2017	-	(0.48)	(124.16)	(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 expenses (Refer note 1 below)	-	(0.44)	(169.20)	(53.81)	(56.16)	(3.63)	(4.79)	(0.47)	(288.50)	(2.62)	(5.44)	(8.06)
Balance at 31 March, 2018	-	(0.92)	(250.86)	(116.94)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Eliminated on disposal of assets	-	-	-	0.52	0.08	-	0.98	1.32	2.90	-	-	-
Depreciation expenses (Refer note 1 below)	-	(0.44)	(147.67)	(75.86)	(47.83)	(2.97)	(4.46)	(0.17)	(279.40)	(2.05)	(5.62)	(7.67)
Balance at 31 March, 2019	-	(1.36)	(398.53)	(192.28)	(171.81)	(10.78)	(12.84)	-	(787.60)	(8.12)	(16.24)	(24.36)
Carrying amount												
Balance at 31 March, 2018	26.65	66.68	462.38	240.47	180.59	5.48	12.98	1.04	996.27	4.38	9.86	14.24
Balance at 31 March, 2019	26.65	66.24	349.10	188.30	156.54	5.17	9.35	-	801.35	4.64	14.06	18.70

Notes:

- Depreciation for the year includes impairment charge aggregating ₹ 52.51 million (Previous Year - ₹ 37.21 million)
- Land represents the amount where the entity is a lessee under finance lease.

Note 5 Investments

₹ In Millions

	As at 31 March, 2019		As at 31 March, 2018	
	Qty.	Amount	Qty.	Amount
Non-Current				
Unquoted at cost				
a) Investment in Equity instruments				
- Investment in joint venture (Mainland China Restaurant (LLC)) of QAR 1,000 each	490	-	490	-
Total Investments Carrying Value		-		-
Aggregate Carrying Value of unquoted investment		-		-

Note 6 Other investments

₹ In Millions

	As at 31 March, 2019		As at 31 March, 2018	
	Units	Amount	Units	Amount
Non-Current				
Unquoted				
a) Investment in Government or Trust Securities (NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	0.19	-	0.19
b) Investment in corporate bonds (at FVTPL)	50	49.44	-	-
Total non-current investments	50	49.63	-	0.19
Aggregate Carrying Value of unquoted investments		49.63		0.19
Current				
Unquoted Investments				
a) Investment in Mutual Funds (at FVTPL)				
- Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	2,67,996	99.63	6,31,461	135.97
- HDFC Banking And PSU Debt Fund - Direct Plan - Growth Option	-	-	37,48,455	53.19
- ICICI Equity Arbitrage Fund - Direct Growth	43,65,468	110.22	43,65,468	103.34
- ICICI Prudential Short Term Plan - Direct Plan - Growth Option	-	-	14,44,750	54.18
- Kotak Equity Arbitrage Fund - Direct Plan Growth	43,36,672	117.97	43,36,672	110.65
- Kotak Floater Short Term - Direct Plan - Growth Option	-	-	10,983	31.32
- Kotak Low Duration Fund - Direct Plan - Growth Option	-	-	333	0.73
- Reliance Arbitrage Advantage Fund - Growth Plan	23,62,166	44.73	34,56,838	61.59
- Reliance Quarterly Interval Fund - Series II - Direct Plan - Growth Option	-	-	42,12,513	101.11
- Reliance Liquid Fund - Treasury Plan - Direct Plan - Daily Dividend - Re-investment	-	-	868	1.33
- Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth Option	-	-	3,544	15.02
- Reliance Medium Term Fund - Growth Option	-	-	94,844	3.53
- SBI Liquid Fund Direct Growth	56	0.16	-	-
- SBI Overnight Fund- Direct Plan - Growth	510	1.58	-	-
- SBI Saving Fund-Direct Plan - Growth	42,81,149	128.65	-	-
- HDFC Ultra Short Term Fund - Regular Growth	1,23,52,108	129.17	-	-
Total current investments	2,79,66,125	632.11	2,23,06,729	671.96
Aggregate Carrying Value of unquoted investments		632.11		671.96



Note 7 Loans

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current (unsecured)		
a) Loans to related party	-	-
b) Loans to employees	13.83	12.97
Total	13.83	12.97
Current (unsecured, considered good)		
a) Loans to employees	4.44	6.15
Total	4.44	6.15

Note 8 Other financial assets (unsecured)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Security and other deposits		
Considered good	304.17	276.10
Credit impaired	4.85	4.00
Less: Allowance for doubtful receivables	(4.85)	(4.00)
	304.17	276.10
b) Others		
- Reimbursement of expenses		
Considered good		
Credit impaired	47.73	26.46
Less: Allowance for doubtful receivables	(47.73)	(26.46)
	-	-
Total	304.17	276.10
Current		
a) Security and other deposits		
Considered good	30.27	22.92
b) Other recoverables		
Considered good	9.41	0.10
c) Reimbursement of expenses		
Considered good	27.77	49.03
Total	67.45	72.05

Note 9 Other assets (unsecured, considered good unless otherwise stated)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Capital Advances	19.33	31.84
b) Advances to suppliers and others		
Credit impaired	3.57	3.57
Less: Allowance for doubtful receivables	(3.57)	(3.57)
	-	-
c) Others		
- Prepaid expenses and others	2.01	1.34
Credit impaired	13.10	5.96
Less: Allowance for doubtful receivables	(13.10)	(5.96)
	2.01	1.34

	As at 31 March, 2019	As at 31 March, 2018
d) Advances to related party		
Credit impaired	7.34	7.34
Less: Allowance for doubtful receivables	(7.34)	(7.34)
	-	-
d) Deferred rent	92.08	107.03
e) Balances with government authorities paid under protest	66.61	59.58
f) Advance income tax (net of provision - ₹ 184.72 million) (As at 31 March, 2018 - ₹ 240.11 million)	61.78	63.63
Total	241.81	263.42
Current		
a) Advances to suppliers and others	25.72	15.85
b) Others		
- Prepaid expenses and others		
Considered good	63.84	68.66
c) Deferred Rent	32.04	31.48
d) Balances with government authorities	2.30	1.03
Total	123.90	117.02

Note 10 Inventories

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Inventories (lower of cost and net realisable value)		
- Food and beverage items	60.91	65.49
- Others	5.21	4.43
- Stock in transit	0.70	0.53
Total	66.82	70.45

The mode of valuation of inventories has been stated in note 2(i)

Note 11 Trade Receivables

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
(Unsecured)		
a) Trade receivables		
Considered good	53.92	63.94
Credit impaired	61.08	59.73
	115.00	123.67
Less: Allowance for doubtful debts	(61.08)	(59.73)
Total	53.92	63.94

Note 12 Cash and Cash Equivalents and other bank balances

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Balances with Banks		
i) In current accounts	58.05	25.22
ii) In fixed deposits accounts	43.68	22.80
b) Cash on hand	8.12	4.17
Cash and cash equivalents	109.85	52.19
Bank balances other than above		
a) In earmarked accounts		
i) Unpaid dividend accounts	0.13	0.13
b) Fixed deposits under lien	0.67	0.65
Total	0.80	0.78



Note 13 Share capital
₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Authorised Share Capital		
13.1 Equity share capital		
5,10,00,000 fully paid equity shares of ₹ 10 each	510.00	510.00
Preference share capital		
70,00,000 fully paid compulsorily convertible preference shares of ₹ 10 each	70.00	70.00
13.2 Issued, subscribed capital and fully paid up:		
4,69,57,657 fully paid equity shares of ₹ 10 each	469.58	469.58
(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)		
Total	469.58	469.58

13.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year	As at 31 March, 2019	As at 31 March, 2018
Number of shares outstanding as at the beginning and at the end of the year	4,69,57,657	4,69,57,657

13.4 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.

13.5 Shares reserved for issue under options (Refer note 31)

	As at 31 March, 2019	As at 31 March, 2018
Number of shares outstanding as at the end of the year	1,88,400	3,37,500

13.6 Details of shares held by each shareholder holding more than 5% shares in the company are set out below

	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Anjan Chatterjee	1,20,70,000	25.70%	1,20,70,000	25.70%
Suchhanda Chatterjee	1,19,70,000	25.49%	1,19,70,000	25.49%
Deepak Bhagnani	42,08,496	8.96%	54,94,602	11.70%

Note 14 Other equity
₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Capital Reserve	1.67	1.67
b) Securities premium reserve	1,626.50	1,626.50
c) Share options outstanding account	10.91	12.93
d) Retained earnings	85.94	168.51
e) Foreign currency translation reserve	(0.88)	-
Total	1,724.14	1,809.61

14.1 Capital Reserve
₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
Balance at end of the year	1.67	1.67

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

14.2 Securities premium reserve

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
Balance at end of the 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.

14.3 Retained earnings

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	168.51	632.48
Loss as per Statement of profit and loss	(78.11)	(467.66)
Other comprehensive income for the year	(4.46)	3.69
Balance at end of the year	85.94	168.51

14.4 ESOP outstanding account

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	12.93	11.39
(Income)/expenses recognised in respect of equity-settled shared based payments	(2.02)	1.54
Balance at end of the year	10.91	12.93

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 31

14.5 Foreign currency translation reserve

₹ In Millions

	Year ended 31 March, 2019	Year ended 31 March, 2018
Balance at the beginning of year	-	-
Exchange differences arising on translating the foreign operations	(0.88)	-
Balance at end of the year	(0.88)	-

Note 15 Trade payables

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Trade payables	415.87	424.02
Total	415.87	424.02



15.1 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, 2019	As at 31 March, 2018
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.88	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	0.88	-

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 16 Other financial liabilities

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Non-Current		
a) Rent payable	86.59	88.45
b) Security deposit received	23.10	13.10
Total	109.69	101.55
Current		
a) Current maturities of finance lease obligations (Refer note below)	-	0.26
b) Unpaid dividends	0.13	0.13
c) Other payables		
- Payables for purchase of property, plant and equipment	19.31	19.40
- Rent payable	2.84	0.17
Total	22.28	19.96

Note:

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 9.21%

Note 17 Other current liabilities

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
a) Advances received from customers	2.86	2.58
b) Others		
- Statutory remittances	37.43	32.62
- Payable on account of gratuity (net)	33.26	19.80
- Share of losses in joint venture company	11.67	11.45
- Others	14.29	14.95
Total	99.51	81.40

Note 18 Revenue from operations

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of services		
a) Income from sale of food and beverages	3,397.82	2,908.53
b) Franchise Income	40.22	38.14
c) Others	25.60	21.24
Total	3,463.64	2,967.91

Note 19 Other Income

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
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)	1.16	1.27
- Other financial assets carried at amortised cost	12.67	4.97
- Other financial assets carried at FVTPL	1.93	-
- Unwinding effect of security deposits	33.26	34.55
	49.02	40.79
b) Dividend income		
- Dividend on mutual funds	0.02	20.77
	0.02	20.77
c) Other gains and losses		
- Gain on disposal of property, plant and equipment (net)	0.24	0.72
- Gain on sale of current investments (net)	29.03	5.54
- Gain arising on remeasurement of financial assets designated as at FVTPL (net)	15.41	10.94
	44.68	17.20
d) Miscellaneous income		
- Miscellaneous income	0.83	0.27
	0.83	0.27
(a + b + c + d)	94.55	79.03

Note 20 Cost of materials consumed

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Food & Beverages		
Opening stock	66.02	66.85
Add: Purchases	1,084.68	952.56
	1,150.70	1,019.41
Less: Closing stock	(61.61)	(66.02)
Total	1,089.09	953.39



Note 21 Employee benefits expense

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Salaries and wages	705.85	642.40
b) Contribution to provident and other funds (Refer note 30)	59.17	61.53
c) (Income)/expenses recognised in respect of equity-settled shared based payments (Refer note 31)	(2.02)	1.54
d) Staff welfare expenses	55.77	59.14
Total	818.77	764.61

Note 22 Finance costs

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest costs		
a) Interest on obligations under finance leases	0.00	0.07
Total	0.00	0.07

Note 23 Depreciation and amortisation expense

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Depreciation of property, plant and equipment (Refer note 4)	279.40	288.50
b) Amortisation of intangible assets (Refer note 4)	7.67	8.06
Total depreciation and amortisation expense	287.07	296.56

Note 24 Impairment losses on financial assets and reversal of impairment on financial assets

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Impairment loss allowance on trade receivables	4.30	-
b) Impairment loss allowance on other financial assets carried at amortised cost	32.85	7.96
Total	37.15	7.96

Note 25 Other expenses

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
a) Rent (Refer note 33)	633.54	525.22
b) Power and fuel	200.41	190.75
c) Rates, taxes and licence Fee	70.56	90.74
d) Operating supplies	80.05	73.04
e) Insurance	3.95	3.62
f) Advertising and marketing expenses (net of recoveries)	68.70	45.52
g) Payment to Auditors (Refer note 25.1 below)	5.18	5.28
h) Repairs and maintenance - Machinery	37.03	25.80
i) Repairs and maintenance - Building	113.45	93.24
j) Repairs and maintenance - Others	30.93	31.63
k) Miscellaneous expenses	150.09	149.54
Total	1,393.89	1,234.38

25.1 Payments to auditors

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
- As auditor - statutory audit	3.75	3.75
- For tax audit	0.40	0.40
- For other services *	0.92	1.02
- For reimbursement of expenses	0.11	0.11
Total	5.18	5.28

* includes ₹ 0.51 million (previous year - ₹ 0.16 million) to an affiliated firm of the auditors

Note 26 Contingent liabilities (to the extent not provided for)

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Claims against the Group not confirmed as debts		
a. Legal cases against the Group	166.16	166.16
b. Sales tax demands	121.88	80.10
c. Income tax demands	0.92	3.79
d. Service tax demands	201.53	78.75
Total	490.49	328.80

Note 27 Commitments

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	88.93	36.40
	88.93	36.40

Note 28 Earnings per share (EPS)

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(78.11)	(467.66)
Weighted Average Number of Equity Shares for Basic Earnings per share	4,69,57,657	4,69,57,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	4,69,57,657	4,69,57,657
Basic Earnings Per Share (in ₹)	(1.66)	(9.96)
Diluted Earnings Per Share (in ₹)	(1.66)	(9.96)
Nominal value per share (in ₹)	10	10

Note 29 Obligations under finance leases**29.1 Leasing arrangements**

The Company has taken on lease lands and vehicles.

The leasehold lands acquired by the Company are for the period of 60 to 999 years. At the end of the lease period the company will approach the lessor to renew the properties.

Vehicle is taken on a lease for period of 5 years. At the end of the lease period the vehicle will be transferred in the name of the Company. Interest rate underlying the obligation under finance lease of the vehicle, is fixed at respective contract dates, is 9.21% per annum



29.2 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, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Not later than one year	-	0.27	-	0.26
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	0.27	-	0.26
Less: future finance charges	-	(0.01)	-	-
Present value of minimum lease payments	-	0.26	-	0.26

	As at 31 March, 2019	As at 31 March, 2018
Included in the financial statements as:		
- Current maturities of finance lease obligations (note 16)	-	0.26

Note 30 Employee benefit plans

30.1 Defined contribution plans

The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contribution. The total expense recognised in the Statement of Profit and Loss represents contributions payable to these plans by the company at rates specified in the rules of the plans.

The Company has recognised the following amounts as expense in the Statement of Profit and Loss:

₹ In Millions

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Contribution to provident fund	30.74	32.46
Contribution to employees' state insurance corporation	18.17	16.79
Contribution to labour welfare fund	0.14	0.15
Total	49.05	49.40

30.2 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.

30.3 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 in higher proportion of the plan participants will increase the plan's liability.

30.4 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.

	Valuation as at	
	As at 31 March, 2019	As at 31 March, 2018
Discount rate(s)	7.15%	7.60%
Expected rate(s) of salary increase	4.50%	4.50%

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, 2019	For the year ended 31 March, 2018
Current service cost	9.36	10.61
Past service cost	-	1.11
Interest on net defined benefit liability / (asset)	0.75	0.42
Components of defined benefit costs recognised in profit or loss	10.11	12.14
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.34	1.02
Actuarial gain arising from changes in demographic assumptions	(0.03)	-
Actuarial losses/(gains) arising from changes in financial assumptions	2.06	(2.26)
Actuarial losses/(gains) arising from experience adjustments	1.09	(2.45)
Components of defined benefit costs recognised in other comprehensive income	4.46	(3.69)
Total	14.57	8.45

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, 2019	As at 31 March, 2018
Present value of funded defined benefit obligation	59.74	52.25
Fair value of plan assets	26.48	32.45
Net liability arising from defined benefit obligation	33.26	19.80

(d) Movements in the present value of the defined benefit obligation are as follows.

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening defined benefit obligation	52.25	55.08
Current service cost	9.36	10.61
Past service cost	-	1.11
Interest cost	3.59	3.53
Remeasurement (gains)/losses:		
Actuarial gain arising from changes in demographic assumptions	(0.03)	-
Actuarial losses/(gains) arising from changes in financial assumptions	2.06	(2.26)
Actuarial losses/(gains) arising from experience adjustments	1.09	(2.45)
Benefits paid	(8.58)	(13.36)
Closing defined benefit obligation	59.74	52.25



(e) **Movements in the fair value of the plan assets are as follows.**

₹ In Millions

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening fair value of plan assets	32.45	43.09
Interest income	2.83	3.10
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(1.34)	(1.03)
Contributions from the employer	1.12	0.65
Benefits paid	(8.58)	(13.36)
Closing fair value of plan assets	26.48	32.45

(f) **Breakup of Plan Assets**

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Insurer Managed Funds	100%	100%

The Company expects to make a contribution of ₹ 33.26 Million (as at 31 March, 2018: ₹ 19.80 Million) to the defined benefit plans during the next financial year.

(g) **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 are the discount rate and the future salary escalation rate. The following table summarizes the impact 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, 2019	For the year ended 31 March, 2018
Discount Rate		
Impact of increase in 50 bps on defined benefit obligation	(2.29)	(1.91)
Impact of decrease in 50 bps on defined benefit obligation	2.46	2.05

Salary escalation rate

	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salary escalation rate		
Impact of increase in 50 bps on defined benefit obligation	2.51	2.10
Impact of decrease in 50 bps on defined benefit obligation	(2.35)	(1.96)

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.

Note 31 Employee Stock Option Scheme (ESOS)

31.1 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 a 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 2019 and 31 March 2018. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	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	3,37,500	126.20	4,82,400	126.20
Options granted during the year	-	-	-	-
Options forfeited during the year	36,600	126.20	77,000	126.20
Options exercised during the year	-	-	-	-
Options expired during the year	1,12,500	126.20	67,900	126.20
Options outstanding at the end of the year	1,88,400	126.20	3,37,500	126.20
Options exercisable at the end of the year	1,88,400		3,37,500	
Exercise price of outstanding options as per ESOS scheme (₹)	126.20		126.20	
Remaining contractual life of outstanding options (years)	0.94 years		1.44 years	

31.2 Fair value of share options granted in the year

There are no new grants during the financial year 2018-19

Note 32 Financial Instruments

32.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Group does not have any borrowing outstanding as at the year end. The Group is not subject to any externally imposed capital requirements.

32.2 Categories of financial instruments

₹ In Millions

	As at	
	31 March, 2019	31 March, 2018
Financial assets		
Measured at amortised cost		
(a) Cash and cash equivalents	109.85	52.19
(b) Bank balance other than covered in (a) above	0.80	0.78
(c) Trade Receivables	53.92	63.94
(d) Loans	18.28	19.12
(e) Other financial assets	371.62	348.15
Measured at FVTPL		
(a) Investment in mutual funds	632.11	671.96
(b) Investment in corporate bonds	49.44	-
Financial liabilities		
Measured at amortised cost		
(a) Trade Payables	415.87	424.02
(b) Other financial liabilities	131.97	121.51



32.3 Financial risk management objectives

The Group's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables and cash and short-term deposits that are derived directly from its operations. Current investments are optimal deployment of excess funds.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk). The 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.

32.3.1 Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The credit risk for the Group 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 Group'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 Group 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 Group by credit worthiness checks. The Group 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 minimal since the possession of the premises is retained till the refund is collected or there are liabilities outstanding against which the asset can be adjusted.

32.3.2 Liquidity risk management

The Group's principal sources of liquidity are cash and cash equivalents, cash flow generated from operations and by churning of current investments. The Group does not have any borrowing outstanding as at the year end. The Group 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 Group's remaining contractual maturity for its 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 Group can be required to pay.

₹ In Millions

	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
31 March, 2019					
Trade Payables	415.87	-	-	-	415.87
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	19.31				19.31
Rent payable	2.84	18.19	31.95	36.44	89.42
Security deposit received	-	3.10	20.00		23.10
	438.14	21.29	51.95	36.44	547.82
31 March, 2018					
Trade Payables	424.02	-	-	-	424.02
Borrowings	0.26	-	-	-	0.26
Unpaid dividends	0.13	-	-	-	0.13
Payables for 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	-	3.10	10.00	-	13.10
	443.98	24.70	41.49	35.36	545.53

32.3.3 Market Risk

The Company is exposed to market risks associated with foreign currency rates and commodity prices.

Foreign currency risk management

The Group 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 quarterly intervals.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	₹ 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 171,635	12.21	USD 176,949
Reimbursement of Expenses	2.12	USD 34,494	2.09	USD 34,181
	14.33		14.30	
Amounts payable in foreign currency on account of the following:				
Professional fees	0.83	USD 11,966	1.95	USD 29,934
Professional fees	2.28	GBP 25,167	-	-
	3.11		1.95	

The 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 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 Group 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.

32.4 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.

32.4.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group'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
		31 March, 2019	31 March, 2018	
1	Investments in Mutual funds	632.11	671.96	Level 1
2	Investment in Corporate bonds	49.44	-	Level 1

32.4.2 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 33 Operating lease arrangements**33.1 Future minimum lease payments in respect of non-cancellable leases are as follows:**

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Payable not later than one year	117.98	79.90
Payable later than one year but not later than five years	134.01	111.49
Payable later than five years	-	-
	251.99	191.39

33.2 Lease payments recognised in the statement of profit or loss are as under:

₹ In Millions

	As at 31 March, 2019	As at 31 March, 2018
Fixed lease rentals	560.65	460.97
Contingent lease rentals	36.58	30.58
	597.23	491.55

33.3 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 34 Segment information

The principal business of the Group is operating food outlets/ sweet shops. All other activities of the Group revolve around its principal business. The Chairman & Managing Director (MD) of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. Therefore, directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments. The Group predominantly operates in one geography i.e. India.

Note 35 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	Executive Directors Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee Mr. Indroneil Chatterjee Non Executive Directors 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 Dutta (resigned w.e.f. August 31, 2017)
3	Relative of Promoters	Mr. Avik Chatterjee (Son of Mr. Anjan Chatterjee) Mrs. Harshita Deshpande (Daughter of Mr. Anjan Chatterjee)
4	Enterprises over which directors or relatives of directors exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P) Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Jointly Venture Company	Mainland China Restaurant & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)

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	Total
Transactions during the period ended 31 March 2019					
Franchisee Income					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	-
	-	-	-	(0.34)	(0.34)
Total	-	-	-	-	-
	-	-	-	(0.34)	(0.34)
Remuneration (Refer note 3 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	-	1.20	-	-	1.20
	-	(0.85)	-	-	(0.85)
Mrs. Harshita Deshpande	-	0.13	-	-	0.13
	-	-	-	-	-
Total	10.20	1.33	-	-	11.53
	(10.20)	(0.85)	-	-	(11.05)
Sitting Fees paid to Non Executive Directors					
Mr. Rakesh Pandey	0.32	-	-	-	0.32
	(0.13)	-	-	-	(0.13)
Mr. Ullal Ravindra Bhat	0.34	-	-	-	0.34
	(0.24)	-	-	-	(0.24)
Mr. Dushyant Mehta	0.36	-	-	-	0.36
	(0.27)	-	-	-	(0.27)
Mr. Susim Mukul Dutta	-	-	-	-	-
	(0.05)	-	-	-	(0.05)
Total	1.02	-	-	-	1.02
	(0.69)	-	-	-	(0.69)
Rent and other expenses paid					
Situations Advertising & Marketing Services Private Limited					
- Rent	-	-	35.60	-	35.60
	-	-	(33.05)	-	(33.05)
- Retainership Fees	-	-	1.42	-	1.42
	-	-	(1.27)	-	(1.27)
- Advertisement Expenses	-	-	2.78	-	2.78
	-	-	(9.08)	-	(9.08)
- Reimbursement of Expenses	-	-	11.11	-	11.11
	-	-	(8.50)	-	(8.50)
Prosperous Promoters Private Limited	-	-	2.95	-	2.95
	-	-	(6.36)	-	(6.36)
Others	3.09	-	3.56	-	6.65
	(3.11)	-	(5.48)	-	(8.59)
Total	3.09	-	57.42	-	60.51
	(3.11)	-	(63.74)	-	(66.85)



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	Total
Security deposits given					
Situations Advertising & Marketing Services Private Limited	-	-	0.50	-	0.50
	-	-	-	-	-
Total	-	-	0.50	-	0.50
	-	-	-	-	-
Provision for impairment of receivables and investments					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	-
	-	-	-	(15.80)	(15.80)
Total	-	-	-	-	-
	-	-	-	(15.80)	(15.80)
Balances as at 31 March 2019					
Other payables					
Situations Advertising & Marketing Services Private Limited	-	-	6.66	-	6.66
	-	-	(14.58)	-	(14.58)
Prosperous Promoters Private Limited	-	-	1.55	-	1.55
	-	-	(1.55)	-	(1.55)
Others	2.11	0.09	2.55	-	4.75
	(2.11)	(0.09)	(2.66)	-	(4.86)
Total	2.11	0.09	10.76	-	12.96
	(2.11)	(0.09)	(18.79)	-	(20.99)
Security deposits					
Situations Advertising & Marketing Services Private Limited	-	-	50.50	-	50.50
	-	-	(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	-	87.71	-	90.71
	(3.00)	-	(87.21)	-	(90.21)
Franchisee Income Receivable (Refer note 1 below)					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	3.30	3.30
	-	-	-	(3.30)	(3.30)
Total	-	-	-	3.30	3.30
	-	-	-	(3.30)	(3.30)
Advance to Joint Venture Company (Refer note 1 below)					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	12.50	12.50
	-	-	-	(12.50)	(12.50)
Total	-	-	-	12.50	12.50
	-	-	-	(12.50)	(12.50)

Notes

- 1 These balances have been fully provided and have been disclosed as an exceptional item in the previous year (refer note 38)
- 2 Figures in paranthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March 2018 in relation to the Balance Sheet
- 3 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 36

(a) Income tax expense recognised in the Statement of profit & loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current Tax:		
In respect of current year	9.00	-
In respect of prior years	1.11	-
Deferred tax	-	222.61
Total	10.11	222.61

Unused tax losses

Particulars	As at 31 March, 2019	As at 31 March, 2018
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation	222.68	108.83
Long term capital loss	71.39	32.00
Total	294.07	140.83

Note: The accumulated long term capital loss would start to expire under the tax laws from 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

(b) Deferred tax

- Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence. Deferred tax assets have been restricted to deferred tax liabilities. Accordingly no deferred tax assets/(liabilities) have been recognised.
- Deferred tax assets/(liabilities) in relation to:

Particulars	As at 1 April 2017	Recognised in Total Comprehensive Income	As at 31 March 2018	Recognised in Total Comprehensive Income	As at 31 March 2019
Property, plant and equipment & Intangible assets	161.59	(161.59)	-	-	-
Provision for doubtful debts/advances	27.53	(27.53)	-	-	-
Provision for expenses	17.53	(17.53)	-	-	-
Investment in joint venture	0.29	(0.29)	-	-	-
FVTPL financial assets	(1.21)	1.21	-	-	-
Lease rent equalisation	16.69	(16.69)	-	-	-
Lease deposits	2.94	(2.94)	-	-	-
Others	-	-	-	-	-
Defined benefit obligation	(2.75)	2.75	-	-	-
Deferred tax assets/(liabilities) (net)	222.61	(222.61)	-	-	-



Note 37 The utilisation of IPO proceeds is summarised below:

₹ in Lakhs

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	Variations in plan approved for financial year 2015-2018	Amount Utilised upto March 31, 2018	Balance amount to be utilised as on March 31, 2018. (Plan approved for utilisation till March 31, 2021)	Amount Utilised upto March 31, 2019	Balance amount to be utilised as on March 31, 2019
A	B	C	D	E	F	G	H	I
(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	3,554	2,231	1,193	1,038
(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	-	3,554	2,231	1,193	1,038

Note:

- The amount shown in column G (ii) represents unutilised amount as on March 31, 2018 related to the objects disclosed in the prospectus dated May 22, 2012 and 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 amount shown in column H (ii) represents utilised amount after March 31, 2018 upto March 31, 2019

Note 38 Exceptional Item

The exceptional item in the previous year related to a provision of financial assets on account of restructuring pertaining to the joint venture company in Doha, Qatar. During the previous year, the Company along with the joint venture partner had entered into a Memorandum of Understanding (MOU) with potential buyers in Doha 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, in the previous year the Company recognised an impairment loss of ₹ 15.80 million for diminution in value of company's investment in equity shares and receivables from the joint venture company.

Note 39

Disclosure of additional information as required by the Schedule III to the Companies Act, 2013 :

(a) As at and for the year ended March, 2019

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	100.70	2,209.05	81.22	(63.44)	83.52	(4.46)	81.38	(67.90)
Speciality Hospitality UK Limited (wholly owned subsidiary)	(0.70)	(15.33)	18.50	(14.45)	16.48	(0.88)	18.36	(15.33)
Jointly venture company (Investments as per Equity Method)								
Mainland China & Indigrill Restaurant LLC	-	-	0.28	(0.22)	-	-	0.26	(0.22)
Total	100.00	2,193.72	100.01	(78.11)	100.00	(5.34)	100.00	(83.45)

(b) 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	100.00	2,279.19	95.89	(448.43)	100.00	3.69	95.86	(444.74)
Jointly venture company (Investments as per Equity Method)								
Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	-	-	4.11	(19.22)	-	-	4.14	(19.22)
Total	100.00	2,279.19	100.00	(467.65)	100.00	3.69	100.00	(463.96)

Note 40

Effective 1 April 2018, the Company adopted Ind AS 115 'Revenue from contracts with customers'. The effect on adoption of Ind AS 115 on the financial statements is insignificant.

Note 41 Approval of financial statements

The financial statements were approved for issue by the board of directors on 29 May 2019.

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	1,75,500 ordinary shares of 1 GBP each.
5	Reserves and surplus	GBP 17,941
6	Total assets	GBP 3,18,696
7	Total Liabilities	GBP 3,00,755
8	Investments	Not applicable
9	Turnover	Not applicable
10	Profit / (Loss) before taxation	GBP (1,57,559)
11	Provision for taxation	Not applicable
12	Profit / (Loss) after taxation	GBP (1,57,559)
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, 2019
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, 2019
6	Net worth attributable to shareholding as per as per latest audited Balance Sheet	(6,38,877) QAR
7	Profit / (Loss) for the year	
	Considered in Consolidated	(11,369) QAR
	Not considered in Consolidation	(11,834) 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

Rajesh Kumar Mohta

Executive Director - Finance

& Chief Financial Officer

Avinash Kinthikar

Company Secretary & Legal Head

Place: Mumbai

Date: 29 May, 2019

Ullal Ravindra Bhat

Director

DIN : 00008425

Dushyant Mehta

Director

DIN : 00126977



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