



SPECIALITY
RESTAURANTS LTD.

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

February 23, 2016

To,

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

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

Dear Sir/ Madam,

Sub: Disclosure of events under Part B of Schedule III to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Part B of Schedule III to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and the materiality policy adopted by the board of directors of the Company on November 30, 2015, we wish to inform you that the Company has received a show cause-cum demand notice dated February 18, 2016 on February 22, 2016 (the "Notice") issued by the Commissioner of Service Tax, Audit-III, Mumbai-400019 (the "Commissioner of Service Tax") calling upon the Company to show cause within 30 days of the receipt of the Notice, as to why an amount of ₹ 7,87,54,000/ along with interest and penalty should not be paid by the Company under the provisions of the Cenvat Credit Rules, 2004 (the "Cenvat Credit Rules"). A brief description of the matter is given below:-

During the course of EA 2000 Audit (the "Audit") conducted by the service tax department, Mumbai (the "Service Tax Department") on the records of the Company for the period 2009-10 (October to March) to 2013-14, it was observed that the Company failed to reverse Cenvat credit as stipulated under the provisions of the Cenvat Credit Rules. Pursuant to the Audit, the Monitoring Committee of the Service Tax Department stated that a reference has been made on the alleged failure of the Company to reverse the Cenvat credit to the Chief Commissioner Unit of the Service Tax Department. The Monitoring Committee further stated that in the event there is delay of more than three months in obtaining a reply from the Chief Commissioner Unit, a show cause notice shall be issued upon the Company for safeguarding revenue and accordingly the Company has received the Notice.



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Further, in terms of the Notice, the Commissioner of Service Tax has alleged that the Company had failed to maintain separate records with respect to availment of Cenvat credit on (i) services which are chargeable to tax being the restaurant services and outdoor catering services as well as (ii) exempted goods prepared or served by the Company, as required under the provisions of Rule 6(3) of the Cenvat Credit Rules.

The Company will take appropriate legal steps in consultation with its legal counsel for defending the matter.

We will keep the stock exchanges updated about further developments in this matter.

We request you to take the above information on record.

Thanking you.
Yours sincerely,

For Speciality Restaurants Limited

Authorized Signatory



Name: V.S.Satyamoorthy
Designation: Company Secretary



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Veem



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