

SPECIALITY RESTAURANTS LIMITED

CIN: L55101WB1999PLC090672

Regd. Office: “Uniworth House” 3 A, Gurusaday Road, Kolkata-700 019

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

Website: www.speciality.co.in; E-mail: corporate@speciality.co.in

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013)

To,
The Members

Speciality Restaurants Limited

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the “Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, to the Members of Speciality Restaurants Limited (the “Company”) seeking consent of the Members of the Company to pass the following resolutions through Postal Ballot / electronic voting (e-voting) in respect of the following special business.

Special Business:

1. Variation in terms of the contract or objects of the Issue:

To consider, and if thought fit, to pass, the following resolution as a special resolution:-

“RESOLVED THAT pursuant to Sections 13 and 27 of the Companies Act, 2013 (the “Act”) (corresponding to Section 61 of the Companies Act, 1956), and other applicable provisions if any, of the Act read with Rule 32 of the Companies (Incorporation) Rules, 2014 and Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force and such other approvals, permissions, sanctions, if any, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include any duly constituted committee thereof), to vary the terms of the objects referred to in the prospectus of the Company dated May 22, 2012 (the “Prospectus”), filed by the Company with the Registrar of Companies, West Bengal and the Securities and Exchange Board of India, including revision in the utilisation of the proceeds from the Initial Public Offering (“IPO”) of Equity Shares made in pursuance of the said Prospectus and variation in the terms of objects of the issue duly approved by the Members vide their special resolution dated November 27, 2015, 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 in the following manner:

(₹ in million)

Particulars	Estimated schedule of deployment of unutilised proceeds			Total
	FY 2018-19*	FY 2019-20	FY 2020-21	
Development of new restaurants/ conversion of existing restaurants	80.0	80.0	79.9	239.9

The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company’s business. The schedule of deployment is, however, dependent upon various factors beyond the Company’s control, such as delays in execution by external contractors, availability of raw materials on commercially acceptable terms or at all, general economic conditions and political conditions and force majeure. Accordingly, the actual amounts to be spent in a particular financial year for the proposed object may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise any portion of the funds towards the aforementioned object as per the estimated schedule of deployment set out above, such surplus amounts shall be deployed in subsequent financial years towards the aforementioned object.

**The unutilized amount as on December 31, 2017 is ₹ 239.9 million. Furthermore, the estimated schedule of deployment of unutilized proceeds for the financial year 2018-19 in the table above shall be reduced to the extent of actual amount utilized during the period January 1, 2018 to March 31, 2018.*

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, deal with such matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto without being required to seek any further consent or approval of the members or otherwise to their end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein referred to any committee of directors or any other officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolution.”

2. Appointment of Mr. Rakesh Pandey (DIN: 00113227) as an Independent Director of the Company:

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

“RESOLVED THAT Mr. Rakesh Pandey (DIN: 00113227), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 29, 2017 under Section 161(1) of the Companies Act, 2013 (the “Act”) and Article 99 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Rakesh Pandey, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years with effect from November 29, 2017 upto November 28, 2022, be and is hereby approved.”

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

Place: Mumbai

Date: February 14, 2018

**Avinash Kinshikar
Company Secretary & Legal Head**

Registered Office: Uniworth House,
3 A, Gurusaday Road, Kolkata-700019
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66.
Fax No: 033-22809282.

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) setting out material facts and reasons for the proposed resolutions is appended herein below for your consideration.
2. Pursuant to the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, a company is mandatorily required to, in case of certain prescribed items of special business and has an option to in case of other items of special business, seek the approval of the Members to certain resolution(s) through Postal Ballot, instead of getting it passed at a general meeting. Accordingly, your approval is sought for the resolutions contained in the Notice dated February 14, 2018 through Postal Ballot.
3. 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, during business hours, up to Saturday, March 24, 2018.

4. The Board of Directors has appointed M/s. T. Chatterjee & Associates, Practicing Company Secretaries firm (ICSI - Firm Unique Code No.: S2007WB097600) (the “**Scrutiniser**”) as a Scrutiniser for conducting the Postal Ballot process in accordance with the Act and the Rules made thereunder in a fair and transparent manner.
5. The Notice of Postal Ballot is being sent to all the Members whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, February 16, 2018.
6. The Notice of Postal Ballot, inter alia indicating the process and manner of e-voting 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 Notice of Postal Ballot along with the Postal Ballot Form are being sent by the permitted modes of service of documents.
7. A Postal Ballot Form and a postage prepaid self-addressed business reply envelope are attached to this Notice. The self-addressed envelope bears the address to which the duly completed Postal Ballot Form is to be sent.
8. In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act read with relevant Rules made thereunder as amended from time to time and Regulation 44 of the 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 e-voting through e-voting services provided by Central Depository Services (India) Limited (CDSL) on all resolutions specified in this Notice. The e-voting process is optional.

9. **The instructions for Members voting electronically are as under:**

A. In case of Members receiving e-mail:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders/Members
- (iii) Now enter your User ID as follows:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot form indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering details appropriately, click on “Submit” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the “EVSN” for ‘Speciality Restaurants Limited’ on which you choose to vote.
- (xi) On the voting page, you will see “Resolution Description” and against the same the option “Yes/No” for voting. Select the option “Yes” or “No” as desired. The option “Yes” implies that you assent to the resolution and option “No” implies that you dissent to the resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “Submit”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Ok”. To change your vote, click on “Cancel” and accordingly modify your vote.
- (xiv) Once you “Confirm” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- (xvi) If a demat account holder have forgotten the changed password, then enter your User ID and the image verification code and click on “Forgot Password” and enter the requisite details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note for Non – Individual Shareholders and Custodians:**
 - Non-individual shareholders (i.e. members other than Individuals, HUF, NRI, etc.) and custodians are required to log on to www.evotingindia.com and register themselves as “Corporates”.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of such accounts should be emailed to helpdesk.evoting@cdslindia.com and on approval of the list of accounts they would be able to cast their vote.
 - A scanned certified true copy of the board resolution and Power of Attorney (POA) issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for verification by the Scrutiniser.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of Members receiving the physical copy:

Please follow all steps from serial no. A. (i) to (xviii) specified above to cast vote.

10. The e-voting period begins on Friday, February 23, 2018 (10.00 a.m. Indian Standard Time “IST”) and ends on Saturday, March 24, 2018 (5.00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, February 16, 2018 (the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. Members can also contact Mr. Rakesh Dalvi, official of CDSL to resolve any grievances with regard to e-voting. Contact number: 022-2305842; email ID: rakeshd@cdslindia.com. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
11. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications(s).

12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, February 16, 2018.
13. A member desirous of exercising his/her vote by physical Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutiniser in the enclosed self-addressed pre-paid postage business reply envelope. Postal charges will be borne and payable by the Company. However, if the member decides to courier or send by registered post or delivers his/her Postal Ballot Form in person, expenses will be borne by such member.
14. Members who have not received the Postal Ballot Form and are desirous of seeking a duplicate form or members who have been sent this Postal Ballot Notice electronically and who do not want to avail the e-voting facility organized through CDSL, may send a request on the following e-mail id: investor@speciality.co.in by mentioning his/her Folio/DP ID and Client ID No. for obtaining the Notice and Postal Ballot in physical form from the Company. The Member has to send back the duly completed Postal Ballot form to ensure that it reaches the Scrutiniser on or before Saturday, March 24, 2018 by 5.00 p.m. IST failing which, it will be strictly considered that no reply has been received from the Member.
15. The Members can opt only one mode of voting i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
16. The Postal Ballot Form, duly completed and signed by the member should be returned in the self-addressed pre-paid postage business reply envelope directly to the Scrutiniser not later than close of the working hours of Saturday, March 24, 2018 by 5.00 p.m. IST. Any Postal Ballot Form received after such date shall be treated as if the reply from the member has not been received.
17. The Scrutiniser will submit his report within the stipulated time after the completion of the scrutiny of the Postal Ballot Forms including e-voting. The results of the Postal Ballot shall be declared on Monday, March 26, 2018 at the Corporate Office of the Company at Morya Landmark – I, 4th Floor, B-25, Veera Industrial Estate, Off New Link Road, Andheri West, Mumbai 400053 and shall be placed alongwith the Scrutiniser's Report on the website of the company www.speciality.co.in immediately after the declaration of result by the Chairman or in his absence to any other Director authorized by the Board. The results shall also be communicated to BSE Limited and the National Stock Exchange of India Limited. In the event, the proposed resolutions are approved by the requisite majority of the Members, the date of passing of the said resolutions will be March 24, 2018 being the last date for receipt of Postal Ballot Forms/ casting of votes by e-voting.
18. The Scrutiniser's decision on the validity of the Postal Ballot and e-voting shall be final and binding.
19. The Notice of Postal Ballot will be displayed on the website of the Company www.speciality.co.in and the same will be available for physical inspection at the registered office of the Company during business hours on any working day till the closure of the voting period.
20. A members cannot exercise his vote by proxy on postal ballot. Voting rights in the postal ballot/ e-voting cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representative with proof of their authorization.
21. 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 have been annexed to this Notice.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”), sets out all material facts relating to the business mentioned in the accompanying Notice dated February 14, 2018.

Item No. 1 – Variation in terms of the contract or objects of the 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 ₹ 1760.9 million. The disclosures regarding utilization of net proceeds of the Issue in the Prospectus included the following: (i) development of new restaurants (ii) development of a food plaza (iii) repayment of term loan facilities and (iv) general corporate purposes (the “Objects”).
- Further, the Members of the Company approved vide a special resolution dated November 27, 2015 variation in terms of objects from the funds intended for development of new restaurants and development of food plaza amounting to ₹ 578.5 million as of April 1, 2015 in the following manner:

(₹ in million)

Particulars	Estimated schedule of deployment of unutilised proceeds			Total
	FY 2016	FY 2017	FY 2018	
Development of new restaurants/ conversion of existing restaurants	80.0	250.5	248.0	578.5

- Further, the Members of the Company also approved vide the special resolution dated November 27, 2015 that to the extent the Company is unable to utilise any portion of the funds towards the object set out in the estimated schedule of deployment above, such surplus amounts shall be deployed in subsequent financial years, as provided under paragraph 9 below.
- Whilst the Company has made its best efforts to utilise the proceeds of the Issue, the amount remained to be utilised is ₹ 239.9 million as of December 31, 2017 (the “Unutilised Amount”) towards the Object is as under:

(₹ in million)

Particulars	Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012.	Spent upto March 31, 2015	Balance available as on March 31, 2015	Variation in plan approved for financial year 2015-18	Amount available for spent in financial year 2015-18	Amount Utilised upto December 31, 2017	Balance amount to be utilised as on December 31, 2017
A	B	C	D	E	F	G	H
(i) Development of new restaurants	1316.0	894.1	421.9	(421.9)	-	-	-
(ii) Development of new restaurants/ conversion of existing restaurants (Refer Note below)	-	-	-	578.5	578.5	338.6	239.9
(iii) Development of a food plaza	151.0	-	151.0	(151.0)	-	-	-
(iv) Repayment of Term Loan facilities	94.2	94.2	-	-	-	-	-
(v) General Corporate purpose	10.5	10.5	-	-	-	-	-
(vi) Issue related expenses	189.2	183.6	5.6	(5.6)	-	-	-
Total	1760.9	1182.4	578.5	-	578.5	338.6	239.9

Note:

The amount shown in column (G) (ii) represents utilised amount after March 31, 2015 related to the objects disclosed in the prospectus dated May 22, 2012 and variation approved by the Members vide special resolution dated November 27, 2015. ₹ 66.1 million was spent upto the date of approval by the shareholders on November 27, 2015 out of the total spent of ₹ 338.6 million.

5. The Company does not foresee spending the Unutilised Amount by March 31, 2018 and, therefore, the Company intends to vary the terms of the contract or objects of the Issue as referred to in the Prospectus and variation approved by the Members vide special resolution dated November 27, 2015.
6. Accordingly, in terms of the provisions of Section 27 of the Act (corresponding to Section 61 of Companies Act, 1956), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions and the rules made thereunder, the Company seeks approval of the members by way of a special resolution through postal ballot / e-voting for variation in the terms of the contract or objects of the Issue as disclosed in the Prospectus and variation approved by the Members vide a special resolution dated November 27, 2015.
7. The Company has been cautious in utilizing the unutilised amounts proposed to be utilized towards the development of new restaurants / conversion of existing restaurants due to:
 - the economic slowdown over the last few years, challenging environment during the current financial year, economic factors, forcing the company to cautiously and progressively utilise the funds in a judicious manner keeping in view the interests of the stakeholders of the company;
 - the growth was affected in the last two quarters of the financial year 2016-17, due to the impact of demonetisation scheme; and
 - introduction of the destination based Goods and Service Tax (GST) and withdrawal of GST input credit in financial year 2017-18 with effect from November 15, 2017.

In view of the above, the Board considers it prudent to extend the time frame of deployment of the Unutilised Amount towards the object stated above for optimum utilization of Net Proceeds and maximise the return on investment for members and ensuring future growth of the Company.

8. In accordance with section 13(8) and 27(2) of the Companies Act, 2013 read with Chapter VI-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 (the “SEBI Regulations”), read with Notification No. SEBI/LAD-NRO/GN/2015-16/036 dated February 17, 2016 is not applicable to the Company, since the IPO of our Company opened in the year 2012.
9. The Company proposes to utilise the balance amount 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. The balance amount as of December 31, 2017 amounting to ₹ 239.9 million is proposed to be used for the object relating to the business of the Company in the following manner:

(₹ in million)

Particulars	Estimated schedule of deployment of unutilised proceeds			Total
	FY 2018-19*	FY 2019-20	FY 2020-21	
Development of new restaurants/ conversion of existing restaurants	80.0	80.0	79.9	239.9

The schedule of deployment as set out in the table above is based on internal management estimates of the Company, assessed in light of current circumstances of the Company’s business. The schedule of deployment is, however, dependent upon various factors beyond the Company’s control, such as delays in execution by external contractors, availability of raw materials on commercially acceptable terms or at all, general economic conditions and political conditions and force majeure. Accordingly, the actual amounts spent in a particular financial year for the proposed object may be different than the amount set out in the table above. Furthermore, to the extent the Company is unable to utilise any portion of the funds towards the aforementioned object as per the estimated schedule of deployment set out above, such surplus amounts shall be deployed in subsequent financial years towards the aforementioned object.

**The unutilized amount as on December 31, 2017 is ₹ 239.9 million. Furthermore, the estimated schedule of deployment of unutilized proceeds for the financial year 2018-19 in the table above shall be reduced to the extent of actual amount utilized during the period January 1, 2018 to March 31, 2018.*

10. The estimated financial impact of the proposed alteration on the financial statements of the Company cannot be quantified at this stage as it depends on a variety of factors. Whilst development of new restaurants would result in increased capital expenditure, the same is proposed to be entirely funded from the Unutilised Amounts. In the event that the estimated expenditure increases due to factors such as inflation or escalation in the cost of raw materials, the Company would have to utilise internal accruals or external indebtedness to meet such shortfall. This may adversely affect the Company's financial statements. However, the income from such new restaurants may not be commensurate with internal expectations and may take longer than expected to become profitable.
11. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face.

Operational risks:

Our business, financial condition, results of operations and prospects may be adversely affected due to various factors, some of which may be outside our control, including (i) the inability to ensure continued consumer spending on non-essential products, services and our ability to respond to competitive pressures and changing consumer preferences is commensurate with or higher than our fixed costs; (ii) the inability to anticipate and effectively react to changes in the cost of raw materials and supplies, costs of which depend on factors including, seasonality, supply and demand in local and international markets, and general economic conditions; (iii) increase in competition and changing guest traffic patterns, which could exert downward pressure on prices, lower demand for our products and restaurant concepts; and (iv) negative publicity about the ingredients we use or the occurrence of food-borne illnesses or other problems at our restaurants.

Risks related to development of new restaurants:

Please see below risk factors related to development of new restaurants:

- *Expansion of our business in Indian cities and other locations as well as into new restaurant formats:* We propose to utilise the Unutilised Amounts towards development of new restaurants and continue to expand our operations. Such expansion is intended to be rolled out primarily through company owned operations and franchise operations across India. We cannot guarantee that we will be able to recoup our costs and operate new restaurants profitably in the short-term or at all. Further, expansion may place substantial demands on our management and our operational, technological and other resources to maintain consistent quality and to ensure that our brand does not suffer as a result of any deterioration, whether actual or perceived, in the quality of our food or service. To manage and support our growth, we may be required to improve our existing operational and administrative systems as well as our financial and management controls. Our continued success also depends on our ability to recruit, train and retain additional qualified financial and management personnel as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. In the event we are unable to implement any of the above standards, our business, financial condition, results of operations and prospects may be adversely affected.
- *Escalation in costs incurred in the development of new restaurants:* We typically incur a significant amount of start-up costs including architecture and design fees and construction costs. Any cost escalations can lead to an increase in our capital expenditure and delay our break-even period. We cannot guarantee that we can recoup our costs and operate new restaurants profitably in the short-term or at all. Furthermore, we cannot guarantee that any new restaurant we open will obtain operating results similar to those of our existing restaurants. In addition, if we open new restaurants in our existing geographic locations, the sales performance and guest traffic of our existing restaurants near new restaurants may decline as a result or the new restaurants may not yield the desired results. All or any of the above factors may adversely affect our ability to achieve the anticipated growth in revenue and profitability of our entire restaurant business.
- *Effectiveness of our marketing and advertising programmes:* We currently plan to expand our operations in new locations in existing as well as new cities, in India. New markets or new restaurant concepts and brands may also have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets or our existing restaurant concepts and brands. Our ability to penetrate further into the existing geographic locations where we already have a presence depends in part on our ability to successfully market ourselves and our ability to expand the range of our

services. It is possible that we will not achieve our targeted level of expansion within existing geographic locations. If any of this were to happen, sales and profits growth may be materially and adversely affected.

- *We have not entered into any substantive agreements for the use of all the Unutilised Amounts:* While we intend to use the Unutilised Amounts towards development of new restaurants, we have not entered into any definitive agreements to utilise the entire portion of the Unutilised Amount and have not obtained relevant approvals, licenses or consents for such operations. Any failure to enter into any such agreement on favourable terms or obtain such approvals, licenses or consents, in a timely manner, or at all, may have an adverse effect on our business, results of operations, financial condition and prospects.
- *Incurring fixed costs which may not yield adequate returns:* A significant portion of our expenses in opening new restaurants is incurred on interiors, fixtures and equipments and are customised for a particular restaurant concept. In the event of closure of such restaurants, we may be unable to transfer these fixtures and equipment to another restaurant. Further, such fixtures and equipment may have limited resale value, which in turn may have a material adverse effect on our results of operation.
- *Funding requirements have not been appraised by any bank/financial institution:* The funds requirement and funding plans of Unutilised Amounts are as per our own estimates and have not been appraised by any bank/financial institution. The deployment of funds in the projects, or pending utilisation for such projects, is entirely at our own discretion and will not be monitored by any external agency.
- *Deployment of funds based on management estimates:* In view of the highly competitive nature of the industry, in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programmes and an increase or decrease in our proposed expenditure for a particular object. Further, our planned capital expenditure may not yield the intended benefits.

12. The Board of Directors recommends the above resolution for your approval by way of a special resolution.
13. 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 as Resolution No. 1 of the Notice, except to the extent of their respective shareholdings in the Company.

Item No. 2:- Appointment of Mr. Rakesh Pandey (DIN: 00113227) as an Independent Director of the Company.

14. The Board of Directors appointed Mr. Rakesh Pandey (DIN: 00113227) (an Additional Director), as an Independent Director of the Company for a term of five years with effect from November 29, 2017, subject to the approval of the Members. The Company has received a notice pursuant to Section 160 of the Act, from a Member proposing his candidature for the office of Director of the Company, to be appointed as such under the provisions of Sections 149, 152 and Schedule IV of the Act. The Board recommends to the Members his appointment as Director of the Company.
15. 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.
16. Mr. Rakesh Pandey 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.
17. Mr. Rakesh Pandey is the Co-founder, Managing Director and Chief Executive Officer of Revigen Medicare Private Limited and he was associated with various companies including, as President Retail of Raymond Limited, CEO of Kaya Limited and various roles in Marico Limited and Hindustan Unilever Limited.
18. Mr. Rakesh Pandey is a Non-Executive Director and is considered as “independent” under the Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).

19. As per the provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term up to five years on the Board of Directors of a company and is not liable to retire by rotation. Mr. Rakesh Pandey has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and under the Listing Regulations.
20. The matter regarding the appointment of Mr. Rakesh Pandey as an Independent Director was placed before the Board, based on the recommendations of the Nomination and Remuneration Committee, which commends his appointment as an Independent Director of the Company.
21. In the opinion of the Board, Mr. Rakesh Pandey fulfils the conditions specified in the Act and the rules made thereunder for appointment as an Independent Director and is independent of the management of the Company.
22. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Rakesh Pandey is now being placed before the Members for their approval.
23. The terms and conditions of appointment of Mr. Rakesh Pandey 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 upto March 24, 2018.
24. None of the Directors except Mr. Rakesh Pandey 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 Resolution No. 2 of the Notice.
25. The Board recommends the resolution set out under Resolution No. 2 of the accompanying Notice for the approval of Members as an ordinary resolution.

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

**Avinash Kinkhikar
Company Secretary & Legal Head**

Place: Mumbai

Date: February 14, 2018

Registered Office: Uniworth House,
3 A, Gurusaday Road, Kolkata-700019
CIN: L55101WB1999PLC090672
E-mail: corporate@speciality.co.in
Phone: 033-22837964/65/66.
Fax No: 033-22809282.

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

Name of the Director	Mr. Rakesh Pandey
Director Identification Number (DIN)	00113227
Date of Birth and Age	September 18, 1956, 61 years
Date of First Appointment on the Board	November 29, 2017
Qualifications	B. Tech. (Hons.) Chemical Engg. - IIT BHU Varanasi. Global Program on Management Development - University of Michigan.
Brief Resume	Mr. Rakesh Pandey 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 NeuroLeadership Institute USA, on Brain Based Results Coaching System. He is also actively engaged in mentoring start ups.
Current Designation	Additional Independent Director
Nature of expertise in specific functional areas	Expertise in the fields of Manufacturing, Projects, Human Resource, Business Strategy & Innovation, Marketing and start up and scale up of pioneering businesses.
Details of other Directorships/ Membership/ Chairmanships of the Committees of other Boards*	Nil
(i) Names of listed entities in which the person holds the Directorship and	Speciality Restaurants Limited
(ii) the Membership of Committees of the Board **	Speciality Restaurants Limited – Audit Committee
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 or their relatives.
No. of shares held in the Company	Nil
Terms and conditions of appointment	Refer Item No. 2 of the Explanatory Statement to the Notice dated February 14, 2018.
Details of remuneration sought to be paid	Mr. Rakesh Pandey will not be paid any remuneration other than sitting fees for attending meetings of the Board and Committees thereof of which he is a Member/ Chairman and commission which may be approved by the Board of Directors.
Last drawn remuneration	Not applicable
No of meetings of the Board attended during the financial year 2016-17	Not applicable

* Excludes Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

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

THIS PAGE IS INTENTIONALLY LEFT BLANK