RED HERRING PROSPECTUS
Dated May 4, 2012
Please read section 60B of the Companies Act, 1956
100% Book Building Issue

SPECIALITY
RESTAURANTS LTD.

SPECIALITY RESTAURANTS LIMITED

(Our Company was incorporated as Speciality Restaurants Private Limited on December 1, 1999 as a private limited company under the Companies Act, 1956. The name of our Company was changed to Mainland Restaurants Private Limited on May 7, 2003 and a fresh certificateof incorporation dated May 8, 2003 was issued by the Registrar of Companies, West Bengal. Subsequently the name of our Company was changed again to Speciality Restaurants Private Limited and a fresh certificate of incorporation dated January 1, 2004 was issued. Consequent upon the conversion of our Company to a public limited company, the name of our Company was changed to Speciality Restaurants Limited and a fresh certificate of incorporation dated February 10, 2011 was issued by theRegistrar of Companies, West Bengal. For further details see the section "History and Certain Corporate Matters" on page 138 of this Red Herring Prospectus.)

Registered Office: Uniworth House, 3A,Gurusaday Road, Kolkata 700 019; **Tel**: (91 33) 2283 7964; **Fax**: (91 33) 2280 9282
Corporate Office: B/25,4th Floor, Morya Landmark I, Veera Industrial Estate, Off New Link Road, Andheri (West), Mumbai 400 053
Contact Person: V. S. Satyamoorthy, Company Secretary and Compliance Officer **Tel**: (91 22) 3341 6700; **Fax**: (91 22) 3341 6878
Website: www.speciality.co.in; **Email**: investor@speciality.co.in

PROMOTERS OF OUR COMPANY: ANJAN CHATTERJEE AND SUCHHANDA CHATTERJEE

PUBLIC ISSUE OF 11,739,415 EQUITY SHARES OF FACE VALUE RS. 10 EACH OF SPECIALITY RESTAURANTS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS.[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING TO RS. [•] MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 25.00% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

In case of a revision in the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("**BRLM**") and at the terminals of the Syndicate Member.

In terms of Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957, as amended ("**SCRR**"), this is an Issue for 25% of the post-Issue capital. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIB**"). 5% of the QIB Portion (excluding Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors (except Anchor Investors) may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details about the bank account, which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") for the same. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Issue. For details, see the section "Issue Procedure" on page 281 of this Red Herring Prospectus.

RISK IN RELATION TO FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [•] times of the Face Value and the Cap Price is [•] times of the Face Value. The Issue Price (as determined and justified by our Company in consultation with the BRLM as stated under the section "Basis for Issue Price" on page 92 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 13 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

This Issue has been graded by CRISIL as 4, indicating above average fundamentals. The IPO grade is assigned on a five point scale from 1 to 5 with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see the section "General Information" on page 61 of this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received "in-principle" approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated March 31, 2011 and April 25, 2011 respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the NSE.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
kotak® Investment Banking	LINK INTIME INDIA PVT LTD
KOTAK MAHINDRA CAPITAL COMPANY LIMITED 1st Floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 E-mail: speciality.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration. No.: INM000008704	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078 Tel: (91 22) 2596 7878 Fax: (91 22) 2596 0329 E-mail: speciality.ipo@linkintime.co.in Investor Grievance E-mail: speciality.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Sanjog Sud SEBI Registration No.: INR000004058

BID/ ISSUE PROGRAMME

BID/ISSUE OPENS ON	BID/ISSUE CLOSES ON
MAY 16, 2012(1)	**MAY 18, 2012**

(1) *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires the following terms in this Red Herring Prospectus have the meaning given below:

Company Related Terms

Term	Description
"our Company", "the Issuer", "we", "us", or "our"	Speciality Restaurants Limited, a public limited company incorporated under the Companies Act, having its Registered Office at Uniworth House, 3A, Gurusaday Road, Kolkata 700 019
Articles of Association/Articles	The articles of association of our Company, as amended
Auditors	The statutory auditors of our Company, Deloitte Haskins & Sells, Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof
Corporate Office	The corporate office of our Company, at B/25, 4th Floor, Morya Landmark I, Veera Industrial Estate, off New Link Road, Andheri (West), Mumbai 400 053
Director(s)	The director(s) of our Company
Glix Securities	Glix Securities Private Limited
Glix Shareholders' Agreement	Subscription and Shareholders' Agreement dated March 26, 2010 between our Company, our Promoters and Glix Securities
Group Companies	The companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370 (1) (B) of the Companies Act and enumerated in the section "Group Companies" on page 157 of this Red Herring Prospectus
KMBL	Kotak Mahindra Bank Limited
Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended
Preference Shares	Compulsorily Convertible Preference Shares of our Company of Rs. 10 each
Promoter Group	Refers to such persons and entities which constitute promoter group of our Company in terms of Regulation 2 (1)(zb) of the SEBI Regulations and a list of which is provided in the section "Our Promoters and Promoter Group" on page 154 of this Red Herring Prospectus
Promoters	Promoters of our Company being Anjan Chatterjee and Suchhanda Chatterjee
Registered Office	The registered office of our Company located at Uniworth House, 3A, Gurusaday Road, Kolkata 700 019
SAIF	SAIF III Mauritius Company Limited
SAIF Shareholders' Agreement	Shareholders' Agreement dated December 5, 2007 between our Company, our Promoters and SAIF and Amendment Agreement dated February 18, 2009 between our Company, our Promoters and SAIF
SBI	State Bank of India
Situations Advertising	Situations Advertising & Marketing Services Private Limited
Situations Advertising Agreement	Service contract dated March 1, 2005 between our Company and Situations Advertising
WBIDC	West Bengal Industrial Development Corporation
WBHIDCO	West Bengal Housing Infrastructure Development Corporation Limited

Conventional/General Terms

Term	Description
Companies Act	Companies Act, 1956, as amended

Term	Description
Consolidated FDI Policy	Consolidated FDI Policy notified under Circular no. 1 of 2012 issued by the Government of India, Ministry of Commerce and Industry effective from April 10, 2012, as amended
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended
DP/Depository Participant	A depository participant as defined under the Depositories Act
EPS	Earnings per share, which is the profit after tax for a Fiscal Year divided by the weighted average of outstanding number of equity shares at the end of the Fiscal Year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined and registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, as amended
Fiscal/ FY/Fiscal Year	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investor as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended
Income Tax Act	Income Tax Act, 1961, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
Listing Agreement	Listing agreement, as amended from time to time, to be entered into by the Company with the Stock Exchanges
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
SBAR	State Bank Advance Rate
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Securities Act	U.S. Securities Act, 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
State Government	Government of a State of India
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S./ United States	United States of America
ULIP	Unit Linked Insurance Plan
US$ /US Dollar/USD	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor portion, with a minimum Bid of Rs. 100 million
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares
Anchor Investor Bid/Issue Period	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be accepted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Prospectus, which price will be equal to or higher than the Issue Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Issue
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	Prospective investors (except Anchor Investors) in this Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as banker to an issue with whom the Escrow Account(s) will be opened and in this case being Axis Bank Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section "Issue Procedure" on page 281 of this Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a prospective investor pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid/Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in an English national daily, a Hindi national daily and a regional language newspaper each with wide circulation
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national daily, a Hindi national daily and a regional language newspaper each with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors)
Bid cum Application Form	The form in terms of which the Bidder (including a ASBA Bidder) shall make an offer to subscribe for or purchase the Equity Shares and which will be considered as the application for Allotment for the purposes of the Prospectus
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders (other than Anchor

Term	Description
	Investors) can submit their Bids, inclusive of any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor (including an ASBA Bidder) who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process/Method	The book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLM/Book Running Lead Manager	The Book Running Lead Manager to the Issue, in this case being Kotak Mahindra Capital Company Limited
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLM, which can be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the Bidders applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Issue.
Designated Stock Exchange	NSE
Draft Red Herring Prospectus	The draft red herring prospectus dated March 11, 2011 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Eligible NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible QFIs	QFIs from such jurisdictions outside India (i) which are compliant with Financial Action Task Force ("FATF") standards and are signatories to the International Organisation of Securities Commission's ("IOSCOs") Multilateral Memorandum of Understanding; (ii) who have opened demat accounts with SEBI registered qualified depositary participants and (iii) where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Equity Shares	Equity shares of our Company of Rs. 10 each
Escrow Account	An account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, the Escrow Collection Bank(s) and the Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted

Term	Description
Issue	Public issue of 11,739,415 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] million
Issue Agreement	The agreement entered into on March 11, 2011 amongst our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the section "Objects of the Issue" on page 80 of this Red Herring Prospectus
Kotak	Kotak Mahindra Capital Company Limited
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Net Proceeds	The Issue proceeds less the Issue expenses
Non-Institutional Bidders	All Bidders, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 1,760,912 Equity Shares available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Price Band	Price Band with a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and includes revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised, at least two working days prior to the Bid/ Issue Opening Date, in all editions of English national daily Business Standard, all editions of Hindi national daily Jansatta and Kolkata edition of Bengali language newspaper AajKaal, each with wide circulation
Pricing Date	The date on which our Company, in consultation with the BRLM, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
QIB Portion	The portion of the Issue being not more than 50% of the Issue consisting of 5,869,707 Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million, the National Investment Fund set up by the Government of India, insurance funds set up and

Term	Description
	managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India
Red Herring Prospectus	This red herring prospectus dated May 4, 2012 issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank	Kotak Mahindra Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than Rs. 200,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 4,108,796 Equity Shares available for allocation to Retail Individual Bidder(s) on a proportionate basis
Revision Form	The form used by the Bidders (including ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	Registrar of Companies, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4 A.J.C. Bose Road, Kolkata 700 020
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Stock Exchanges	BSE and NSE
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat
Syndicate	The BRLM and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among our Company and the Syndicate in relation to the collection of Bids in this Issue (including Bids from ASBA Bidders applying through the bidding centres of the Syndicate in the Specified Cities)
Syndicate Member	Kotak Securities Limited
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Member
Underwriting Agreement	The agreement amongst our Company and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks in Mumbai are open for business

Technical/Industry Related Terms

Term	Description
Average per cover/APC	Total revenue for a restaurant divided by the guests served during a particular period
Combos	Two branded restaurants which are co-located
Core Brands	'*Mainland China*' and '*Oh! Calcutta*'
Cover turnaround (per day)	The number of guests served divided by the product of number of covers of a

Term	Description
	restaurant and the number of days the restaurant is open for business during a particular period
Covers	The seating capacity of a restaurant
ERP	Enterprise Resource Planning
FOCO	Franchisee Owned, Company Operated
Franchise restaurants	Restaurants owned by franchisees but operated by our Company
Guests served	Total number of guests served at a restaurant in a given period
HACCP	Hazard Analysis and Critical Control Point
KPI	Key Performance Indicators
Metros/ Metro cities	Delhi NCR, Chennai, Kolkata and Mumbai
Middle Class	Households earning from Rs. 200,000 to Rs. 1,000,000 annually
Multibrands	More than two branded restaurants which are co-located
NCAER	National Council of Applied Economic Research
New Restaurants	Company owned and operated restaurants that the Company proposes to open during Fiscal 2013, Fiscal 2014 and Fiscal 2015 by utilizing a portion of the net proceeds of the Issue. For further details please see the section "Objects of the Issue" on page 80 of this Red Herring Prospectus
NRAI	National Restaurants Association of India
Pepsi	Pepsi Foods Private Limited
RBI Third Quarter Review 2011	Macroeconomic and Monetary Developments Third Quarter Review 2010-11, issued by Reserve Bank of India
Tier I cities	Aurangabad, Bengaluru, Goa, Hyderabad, Indore, Jaipur, Nagpur, Patna and Pune
Tier II cities	All cities in India other than Metro and Tier I cities
Visa	Visa Worldwide Pte. Limited

Abbreviations

Term	Description
AGM	Annual General Meeting
AS / Accounting Standards	Accounting Standards issued by ICAI
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
DIN	Director Identification Number
DP ID	Depository Participant's Identity
EGM	Extraordinary General Meeting
EPS	Earnings per share, which is the profit after tax for a Fiscal Year divided by the weighted average of outstanding number of equity shares at the end of the Fiscal Year
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GoI/ Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961, as amended
IND-AS	Indian Accounting Standards converged with IFRS
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
NAV	Net Asset Value

Term	Description
NCR	National Capital Region
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR	Non Resident
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RoNW	Return on Net Worth
Rs./ Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
Sq. Ft./ sq. ft.	Square feet
Sq. Mtrs./ sq. mtrs.	Square metres

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Red Herring Prospectus are to the Republic of India.

In this Red Herring Prospectus, our Company has presented numerical information in "million" units. One million represents 1,000,000.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2007, 2008, 2009, 2010, 2011 and nine months period ended December 31, 2011, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Red Herring Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Red Herring Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 13, 112 and 224 of this Red Herring Prospectus, respectively, and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

This Red Herring Prospectus contains conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, see the section "Definitions and Abbreviations" on page 1 of this Red Herring Prospectus. In the section "Main Provisions of Articles of Association" on page 313 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Red Herring Prospectus has been obtained from industry sources as well as Government publications. Industry sources as well as Government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

See section "Risk Factors - The Indian food services industry has a history of being fragmented and unorganised, lacking sufficient reliable industry data. As a result, third party statistical and financial data in this Red Herring Prospectus may be incomplete or unreliable" on page 34 of this Red Herring Prospectus. Neither our Company, the BRLM nor any other person, connected with the Issue, has independently verified this information or forecasts.

Further, the extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue", "contemplate", "future", "goal", "propose", "will likely result", "will seek to" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the food services industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Our inability to manage our growth effectively, especially as we expand to new cities;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew leases for our restaurants or conclude new lease arrangements on commercially acceptable terms;
- Inability to recoup investments made in upgrading restaurant locations, upon termination of lease;
- Inability to adequately protect our trademarks;
- Changes in consumer tastes and dining habits;
- Failure to successfully update our menus and introduce new menu items; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 13, 112 and 224 of this Red Herring Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Red Herring Prospectus. Our Company, our Directors, the BRLM, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all of the information set forth in this Red Herring Prospectus, particularly the financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 224 of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in the Equity Shares. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of the Equity Shares and the loss of all or part of an investment in the Equity Shares. 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. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.

Internal Risk Factors

1. Our business depends significantly on the market recognition of our Mainland China brand, and if we are not able to maintain or enhance our brand recognition, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our Promoters launched the first *Mainland China* restaurant of our restaurant network in 1994. Our Company was incorporated in 1999 and we acquired the brands and restaurants then run by our Promoters in 2002. For further details, see the section "History and Certain Corporate Matters" on page 138 of this Red Herring Prospectus. Over the years, we have built up our *Mainland China* brand to represent quality food with guest-focused service. We believe that maintaining and enhancing the *Mainland China* brand is important for maintaining our competitive advantage. In Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, our *Mainland China* brand restaurants accounted for 53.27%, 57.03%, 60.28% and 61.13% of our total revenues from food and beverages, respectively. However, our ability to maintain our brand recognition depends on a number of factors, some of which are beyond our control. Our success depends on various factors including continued consumer appetite for Chinese cuisine as well as our ability to respond to competitive pressures. Our *Mainland China* restaurants may become less attractive due to changing consumer preferences and any inability to adapt to such changes in a timely manner may affect our results of operations. As we continue to grow in size, expand our food offerings and services and extend our geographic reach, maintaining quality and consistency may be more difficult and we cannot assure you that guests' confidence in our *Mainland China* brand name will not be diminished. If we are unable to maintain or enhance our *Mainland China* brand recognition, our business, financial condition, results of operations and prospects may be materially and adversely affected.

2. Our ability to maintain our competitive position and to implement our business strategy is dependent to a significant extent on our senior management team and other key personnel.

We depend on our current senior management for the implementation of our strategy and the operation of our day-to-day activities. Furthermore, relationships of members of senior management are important to the conduct of our business. Competition for experienced management personnel in the fine dining sector is intense, the pool of qualified candidates is limited, and we may not be able to retain the services of our senior executives or key personnel or attract and retain high-quality senior executives or key personnel in the future. Consequently, there can be no assurance that these individuals will continue to make their services available to us in the future. Any significant loss of senior management or key personnel could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing company, we may consequently lose our proprietary know-how including pricing of our menu items, new restaurant launches and pricing relating to the procurement of raw material. Our key management personnel have entered into confidentiality and/or non-competition agreements with us. However, if any disputes arise between any of our key management personnel and us, it may be difficult for us to enforce these agreements.

3. Our success depends heavily upon our Promoters, Promoter Group and Group Companies for their continuing services, certain key development and support activities and certain loans.

Our success depends heavily upon the continuing services of Anjan Chatterjee, our founder and one of our Promoters ("Founder and Promoter") who has been our leader since our inception. Our Founder and Promoter currently serves as our Managing Director and his experience and vision has played a key role in obtaining our current market position. If our Founder and Promoter is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Further, we depend on our Promoters, Promoter Group and Group Companies for certain key development and support activities. For instance, pursuant to a service contract dated March 1, 2005, a related party, Situations Advertising, manages all of our advertising and marketing activities. Our Promoters are the sole equity holders of and our Founder and Promoter is a director of Situations Advertising. For further details, see "—We have entered into certain related party transactions and there can be no assurance that such transactions will not have an adverse effect on our business, financial condition, results of operations and prospects" on page 29 of this Red Herring Prospectus. Further, we operate certain of our restaurants on properties which are owned by our Promoters and Group Companies including Situations Advertising and Prosperous Promotors. See "—We lease premises for all of our restaurants and confectionaries and our inability to secure our lease rights and keep up with increasing lease rentals in certain key locations may adversely affect our business, financial condition, results of operations and prospects" on page 19 of this Red Herring Prospectus for details.

In addition, we depend on our Promoters, Promoter Group and Group Companies in procuring certain bank loans and for the extension of unsecured loans and advances from time to time. We rely on our Promoters and Group Companies in relation to certain of our bank loans for which our Promoters and certain of our Group Companies have granted certain security and guarantees (personal and corporate) in relation to such bank loans. Further, our Promoters, Promoter Group and relatives of our Promoters have from time to time, extended loans and advances to our Company for various business purposes ("Unsecured Loans"). For Fiscal Years 2009, 2010, 2011 and the nine months ended December 31, 2011 our Unsecured Loans amounted to Rs. 59.62 million, Rs. 57.58 million, Rs. 58.67 million and Rs. 55.82 million, respectively. If the lenders under our Unsecured Loans recall outstanding amounts under such loans before they fall due, it may adversely affect our financial condition. For details, see section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness" on page 240 of this Red Herring Prospectus. We cannot assure you that any future financing we obtain without guarantees from our Promoters or Group Companies or from unrelated third-parties will be on terms which are equal to or more favourable than the terms of our past financings.

4. We propose to utilise a significant portion of the total Issue Proceeds, constituting approximately [●]% of the total Issue Proceeds towards development of New Restaurants and food plaza. If we are unable to manage our growth effectively, we may not be able to capitalise on new business opportunities and our business and financial results may be materially and adversely affected.

We have experienced rapid growth, and further expansion may place significant strain on our management and resources. We have increased the number of our restaurants and confectionaries from 17 as of March 31, 2007 to 82 as of February 29, 2012. We opened 16 and 11 restaurants in Fiscal Years 2010 and 2011, respectively.

We propose to utilise a portion of the Issue Proceeds to open 45 New Restaurants in Fiscal Years 2013, 2014 and 2015 and propose to incur an expenditure of Rs. 1,316.01 million, which is approximately [●] %

of the total Issue Proceeds, towards their development. For further details, see section "Objects of the Issue" on page 80 of this Red Herring Prospectus. We cannot guarantee you that we will be able to recoup our costs and operate New Restaurants profitably in the short-term or at all. Further, of an aggregate amount of Rs. 1,316.01 million that we propose to utilise from the Net Proceeds of the Issue towards the development of New Restaurants, we plan to use Rs. 922.74 million towards interior costs and equipment costs. Out of Rs. 922.74 million that we plan to use towards interior costs and equipment costs, we are yet to place orders for equipment and other items aggregating to Rs. 910.32 million, or 98.65% of the proposed expenditure.

In addition, of an aggregate amount of Rs. 151.00 million that we propose to utilise from the Net Proceeds of the Issue towards the development of a food plaza in Rajarhat, Kolkata, West Bengal, we plan use Rs. 55.40 million towards interior costs and equipment costs. We are yet to place any orders for equipment and other items.

We plan to continue to expand our operations in Metros and Tier I cities and opportunistically, in Tier II cities. Such expansion is intended to be rolled out through primarily company owned and operated and opportunistically, franchise operations across India as well as certain international destinations.

This further expansion may place substantial demands on our management and our operational, technological and other resources. Our planned expansion may also place significant demands on us to maintain consistent food and service quality and preserve our corporate culture 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. To accommodate our growth, we anticipate that we will need to implement a variety of new and upgraded operational and financial systems, procedures and controls, including the improvement of our accounting and other internal management systems. We also need to continue to manage our relationships with our suppliers and guests. All of these endeavours will require substantial management attention and significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalise on new business opportunities, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects.

5. ***As at March 31, 2011 and December 31, 2011 our net worth was Rs. 972.98 million and Rs. 1,126.42 million, respectively and we propose to utilize Rs. 1,467.01 million, from the Net Proceeds of the Issue, towards development of New Restaurants and a food plaza.***

As at March 31, 2011 and December 31, 2011 our net worth was Rs. 972.98 million and Rs. 1,126.42 million, respectively. We propose to utilize Rs. 1,467.01 million from the Net Proceeds of the Issue, which is significantly high in comparison with our net worth, towards development of the New Restaurants and food plaza. We cannot assure you that we will be able to manage any such future expansion effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalize on new business opportunities, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects.

We intend to utilise a portion of our Issue Proceeds to open 45 New Restaurants and a food plaza in Fiscal Years 2013, 2014 and 2015 as indicated in the section "Objects of the Issue" on page 80 of this Red Herring Prospectus and propose to utilize an amount aggregating to Rs. 1,467.01 million from the Net Proceeds of the Issue towards their development. Out of the proposed expenditures, we plan to utilise an aggregate amount of Rs. 978.14 million of the proposed expenditures towards interior costs and equipment costs. Our proposed expenditures towards interior costs and equipment costs may have limited resale value, and any inability to recover such costs through the operation of our New Restaurants and food plaza may have a material adverse effect on our business, financial condition, results of operations and prospects.

6. ***We propose to utilise an aggregate of Rs. 978.14 million, from the Net Proceeds of the Issue, towards interior costs, fixtures and equipment costs, which may have limited resale value.***

We propose to utilise Rs. 922.74 million and Rs. 55.40 million out of the Net Proceeds of the Issue towards interior costs, fixtures and equipments costs for development of our New Restaurants and development of our food plaza, respectively. For further details, see section "Objects of the Issue" on page 80 of this Red Herring Prospectus. A significant portion of these interiors, fixtures and equipments are customised for a particular restaurant concept and in case 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. As such, in the event we decide to close any restaurant, we may be able to realize only a limited resale value of such interiors, fixtures and equipment, which in turn may have a material adverse effect on our results of operation.

7. ***Our Company is involved in legal proceedings, which if determined against us, could adversely impact our business, results of operations, financial condition and prospects.***

Our Company is involved in a number of legal proceedings which are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings to the extent ascertainable, have been disclosed in the section "Outstanding Litigation and Material Developments" on page 252 of this Red Herring Prospectus. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make payments to others or book provisions against probable future payments in our financial statements that could increase our expenses and current liabilities. If any of the cases pending are decided or determined against us, such decision may have an adverse effect on our Company's business, results of operations and financial condition. Brief details of the outstanding litigation as of the date of this Red Herring Prospectus that have been initiated against our Company are set forth below:

(in Rs. million)

Nature of the litigation	No. of outstanding litigations	Aggregate amount involved
Civil proceedings and notices	3	165.58
Consumer complaints	2	2.00
Intellectual property related proceedings and notices	7	1.60
Tax proceedings and notices	32	20.31
Total	**44**	**189.49**

For further details, see the section "Outstanding Litigation and Material Developments" on page 252 of this Red Herring Prospectus.

8. ***General and industry-specific economic fluctuations could adversely affect our business, financial condition, results of operations and prospects.***

Our business, financial condition, results of operations and prospects depend on a variety of general economic and industry-specific factors. The fine dining sector of the restaurant industry is highly fragmented and competitive and is affected by changes in national, regional and local economic conditions, consumer credit, taxation, unemployment and changing demographic trends. In the second half of 2007, we experienced a slowdown due to the downturn experienced by global financial markets in that period which continued and substantially increased in 2008 and continued to some extent in the first half of 2009. In the second half of 2011, we again experienced a slowdown due to the domestic economic conditions in India and tightened credit conditions experienced globally as a result of the Eurozone debt crisis. In periods of economic uncertainty, consumers tend to decrease their discretionary, restaurant spending, which may materially and adversely affect our business, financial condition, results of operations and prospects.

The performance of individual restaurants may also be adversely affected by factors such as changing guest traffic patterns and the establishment of nearby competing restaurants. In response to such developments, we may need to increase our marketing efforts, adjust our pricing or take other actions, which may adversely affect our results of operations. These factors are generally beyond our control, and our ability to manage the risks they present is important to our operations. Reduced guest traffic in our restaurants for any reason, increased costs of doing business or reduced prices for our products as a result of these or other considerations could adversely affect our business, financial condition, results of operations and prospects.

9. Our agreement with Pepsi Foods Private Limited has expired, and any failure to enter into a new agreement may have an adverse impact on our business, results of operations and financial condition.

Our agreement with Pepsi Foods Private Limited ("Pepsi") under which our Company had agreed to purchase and Pepsi had agreed to provide Pepsi beverages as our preferred cold beverage supplier at our restaurants during the term of the agreement expired on March 31, 2012. Under this agreement, Pepsi paid a specified amount to us annually for the purpose of carrying out joint marketing and promotional activities. A new agreement with Pepsi is currently under negotiation. If we are unable to enter into a new agreement with Pepsi, we may continue to incur a higher cost in relation to beverages sold as well as a decrease in our marketing budget which may have an adverse impact on our results of operations and financial condition.

10. Our Promoters and Group Companies have availed unsecured loans that may be recalled by the lenders at any time.

Our Promoters and Group Companies have availed unsecured loans which may be recalled by the lenders at any time. The details of the amounts of outstanding unsecured loans availed by the Promoters and the Group Companies are set forth below:

Promoters

(in Rs. million)

Name of Promoter	Amount of unsecured loan outstanding as of March 31, 2011
Anjan Chatterjee	40.73
Suchhanda Chatterjee	35.04

Group Companies

(in Rs. million)

Name of Group Company	Amount of unsecured loan outstanding as of March 31, 2011
Havik Exports Private Limited	0.04
Havik Leasing and Financial Services Private Limited	0.17
Prosperous Promotors Private Limited	34.82
Shruthi Hotels Enterprises Private Limited	5.56
Situations Advertising & Marketing Services Private Limited	50.03
Speciality Hotels India Private Limited	0.05
Anjan Chatterjee – HUF	0.10

Any accelerated repayment of such loans may adversely affect the cash flow and results of operations of such entities.

11. Some of our Group Companies have incurred losses during the last three fiscal years.

As set forth below, some of our Group Companies have incurred losses during last three fiscal years (as per their respective audited standalone financial statements):

(in Rs. million)

Name of Group Company	Profit / (Loss) After Tax for the Fiscal Year Ended March 31, 2009	Profit / (Loss) After Tax for the Fiscal Year Ended March 31, 2010	Profit / (Loss) After Tax for the Fiscal Year Ended March 31, 2011
Companies			
Havik Leasing and Financial Services Private Limited	(0.00)	(0.00)	(0.01)
Mainland Restaurants Private Limited	0.00 [(1)]	(0.02)	(0.02)
Prahari Housing Private Limited	(0.01)	(0.01)	(0.04)
Quik Service Restaurants Private Limited	(0.01)	(0.01)	(0.03)
Speciality Hotels India Private Limited	(0.00)	(0.00)	(0.01)
Partnership Firm			
Print & Graphics	(0.00)	(0.00)	(0.00)
Sole Proprietorships			
Accord Music Corporation	(0.16)	(0.11)	(0.01)
Reach	(0.00)	(0.00)	(0.85)
Swetambara	0.00	(0.02)	(0.15)
EHO	0.23	1.00	(0.02)

(1) *Expenditures for Fiscal Year 2009 were capitalised.*

12. Our business is labour-intensive and we depend on our dedicated and capable employees, and if we are not able to continue to hire, train and retain qualified employees or if labour costs increase, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees for our restaurants (company owned and operated and franchise), including restaurant managers, chefs, and kitchen and waiting staff. We cannot assure you that we would be able to recruit or retain a sufficient number of qualified employees for our business. Any material increase in employee turnover rates in our existing restaurants and any failure to recruit skilled personnel and to retain key staff due to factors such as failure to keep up with competitive salary levels may make our growth strategy difficult to implement. In particular, our staff costs have increased as a percentage of our revenues in the nine months ended December 31, 2011, and we expect this trend to continue as we face higher staff costs while we continue to increase our staff count to prepare for future new restaurants. We also increased salaries across various levels of staff in July 2011.

Our business development strategy depends in part on our ability to implement best practices in hiring and management of our personnel. Our management and training of restaurant personnel at our restaurants are important in delivering a consistent and high-quality experience to our guests. We may face an inability to monitor and motivate qualified restaurant personnel. In addition, we have and may in the future experience disruptions in our restaurant operations due to absenteeism among waiting and kitchen staff. Labour costs for qualified employees may increase as a result of competition, local government initiatives to manage labour conditions and higher costs of employee benefits such as employee accommodation due to market trends, statutory wage board orders and other factors. Our inability to recruit and retain such individuals may also delay the planned openings of new restaurants. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects.

13. ***Our inability to identify, open and operate new restaurant locations profitably may adversely affect our business.***

Identifying and securing the best restaurant locations is essential to our business. Good location is generally one of the most important elements for restaurant success. Our business development strategy depends in part on our ability to assess locations and successfully open restaurants in new and existing markets. Desirable locations may be limited for many reasons, including the general lack of prime real estate in the markets in which we compete and restrictions in some of these markets on the use of certain locations for restaurants. As a result, desirable locations for new restaurants or for the relocation of existing restaurants may not be available at an acceptable cost or on acceptable terms or at all. Further, we may not correctly identify prime locations that can support the restaurants we open. For example, in April 2011, we closed a *Mainland China* restaurant in Delhi because it was located in a mall that was not receiving high guest traffic. Certain additional factors, some of which are beyond our control, that could adversely affect our new restaurants include the availability of adequate financing and fit-out costs.

In addition, we have in the past and may in the future experience delays or higher-than-anticipated costs in opening new restaurants. We may also experience delays or fail to obtain required government approvals or licenses and permits to operate our corporate restaurants. See "—We require a number of approvals, licences, registrations and permits in the ordinary course of our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations" on page 30 of this Red Herring Prospectus for details. Any such delays or failures to obtain relevant government approvals and/or licenses and permits can have an adverse impact on our revenues, as we may start incurring lease costs when we run past our fit out period under the terms of our lease agreements. We may also start incurring significant employee-related expenses, as we typically relocate our restaurant management and staff to new restaurants three months in advance of a new restaurant opening.

We depend in large part on our ability to operate new restaurants on a profitable basis. 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 breakeven 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. This may in turn, adversely affect our ability to achieve the anticipated growth in revenue and profitability of our entire restaurant business.

14. ***We lease premises for all of our restaurants and confectionaries and our inability to secure our lease rights and keep up with increasing lease rentals in certain key locations may adversely affect our business, financial condition, results of operations and prospects.***

We currently lease premises for all our restaurants and confectionaries. Such properties are leased to us by both unrelated third parties as well as our Promoters/Group Companies including Situations Advertising and Prosperous Promotors. As of February 29, 2012, out of 49 company owned and operated restaurants, premises for 10 company owned and operated restaurants have been taken on lease from our Group Companies. One of the premises for our confectionaries has been taken on lease from our Group Company. We have entered into an agreement for the lease of restaurant premises with a Group Company for a restaurant which is yet to commence operation as of February 29, 2012. We may also enter into lease arrangements with our Group Companies for certain of our other New Restaurants in the future.

The lease relating to our *Oh! Calcutta* company owned and operated restaurant in Mumbai and the lease relating to the premises of a *Sweet Bengal* factory in Mumbai have not been transferred to our Company's name. While such leases are in the process of being transferred to our Company in its capacity as lessee, there can be no assurance that such leases will be successfully transferred within a reasonable period of time.

The premises of our registered office and corporate office have also been leased to us under formal lease agreements. See section "Our Business—Property" on page 132 of this Red Herring Prospectus for more details.

We generally enter into long-term lease agreements, that have an initial term that typically range for a period of two to nine years and certain of our lease agreements may also provide for our right of renewal of the lease agreements upon expiration, provided that we remain in compliance with the terms of the lease. Under our existing lease arrangements, leases for three of our company owned and operated restaurants have expired as of February 29, 2012 and renewals of these arrangements are currently under negotiation. Further, leases for two of our company owned and operated restaurants and four confectionaries will expire in Fiscal Year 2013. The remaining lease arrangements are due for expiry in periods beyond Fiscal Year 2013. In some of our lease agreements any party may terminate its lease agreement by a three months prior notice and in some cases there is only an informal expectation that our short-term leases will be renewed on an ongoing basis. In recent years, real estate costs including rents have escalated significantly in many of our existing locations and in new locations that we may enter and there can be no assurance that such significant increases in real estate costs will not continue to occur in the future. Our operating performance depends in part on our ability to secure leases for our restaurants and confectionaries in appropriate locations at rents we believe are cost effective. The early termination of any of our leases due to non-compliance with the lease terms or the failure to renew leases at suitable costs or at all, could adversely affect our business, financial condition, results of operations and prospects.

There is no guarantee that we will be able to renew our leases or conclude new agreements on commercially acceptable terms. The loss of restaurant or confectionary locations could have a material adverse effect on our business, financial condition, results of operations and prospects.

15. We make significant capital improvements to our leased premises, the cost of which we may be unable to recoup.

In many cases, we must make significant, fixed capital improvements to our leased facilities. In particular, consistent electricity supply is often a critical issue in selecting new locations or evaluating existing locations. We may invest in additional power supply infrastructure at our locations or other significant, fixed capital improvements, but any such investments generally become the property of the landlord after the expiration of the lease. The cost of such capital improvements has gone up in recent times. Moreover, our growth strategy focuses on company owned and operated restaurants, which entail higher capital commitment. As such, we may be unable to recoup investments we make in upgrading our locations at the termination of a lease, such as investments in power supply infrastructure.

The loss of investments in such capital improvements, particularly if such losses occurred at a number of our leased locations, may have an adverse effect on our business, financial condition, results of operations and prospects.

16. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain.

Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. Trademarks of *Mainland China, Haka, Sigree, Flame & Grill, KIBBEH* and *Just Biryani* and other brand names are key assets of our business. See section "Our Business—Property—Intellectual Property" on page 133 of this Red Herring Prospectus. We are currently in the process of registering our brands, "*Oh! Calcutta*", "*Machaan*", "*Kix*", "*Shack*" and "*Sweet Bengal*". In addition, our corporate name and logo has not been registered. Maintaining the reputation of these brands and our corporate name and logo and the goodwill associated with these trademarks is critical to our success.

We have invested effort in protecting our portfolio of intellectual property rights, including through trademark registrations of certain intellectual property. However, unauthorised use of our trademarks, including imitating or copying our products, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks, which presently include relying on trademark laws and may potentially include taking court action against anyone that infringes on our trademark, may not be adequate to prevent unauthorised use by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. If we are unable to adequately protect our trademarks, we may lose these rights, our brand name may be harmed, and our business, financial condition, results of operations and prospects may suffer materially.

Currently, we do not have registered trademarks for our brands "*Oh! Calcutta*", "*Sweet Bengal*", "*Machaan*", "*Shack*" and "*Kix*" nor our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India. Further, we have also applied for registration of trademarks in relation to some of our brand names in jurisdictions outside India, including Bangladesh, European Union, Singapore, United Arab Emirates and United States of America, which are currently pending. Although, we have applied for registration, the registration process is lengthy, and there can be no assurance that such registrations will be granted. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. In such event, we may be unable to capitalise on the associated brand recognition or corporate name or logo recognition, or we may be unable to continue our operations under certain of our franchise agreements where we have licensed the use of our *"Mainland China"*, "*Oh! Calcutta*", "*Sweet Bengal*" *"Flame & Grill"* and "*Machaan*" brand names in India and "*Mainland China*" and "*Oh! Calcutta*" brand name in Bangladesh. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, our continued success in maintaining and enhancing our brands and the goodwill associated with these brands depends to a large extent on our ability to further develop and maintain our distinctive combination of quality menu offerings, affordable prices and clean dining environments throughout our restaurant chains, as well as on our ability to respond to competitive pressures. In addition, our franchisees may take actions that impair the consumer goodwill we have developed in our intellectual property, and we may not be able to mitigate such actions or do so in a timely way. Substantial erosion in the value of our brand names could have a material adverse effect on our business, financial condition, results of operations and prospects.

17. We generate a majority of our revenues from western India. Any event negatively affecting the consumer food services industry in western India could have a material adverse effect on our overall business and results of operations.

We generated 39.07% of our revenues in Fiscal Year 2011 and 40.67% of our revenues in the nine months ended on December 31, 2011 from our restaurants in western India. We expect this market to continue to account for a substantial portion of our revenues in the near future. If western India experiences an event negatively affecting its consumer food services industry, such as a local economic downturn, a natural disaster, a contagious disease outbreak or a terrorist attack, or if the local authorities adopt regulations that place additional restrictions or burdens on us or on our industry in general, our overall business and results of operations may be materially and adversely affected.

18. Changes in consumer preferences that are largely beyond our control could adversely affect our business, financial condition, results of operations and prospects.

Our business is particularly sensitive to changing consumer preferences, including changes in consumer tastes and dining habits and consumer acceptance of our restaurant concepts, all of which may be caused by many factors that are generally beyond our control. For example, our *Mainland China* restaurants have benefitted from a consumer appetite for Chinese cuisine, but that consumer preference may change. Health, dietary and other considerations may also result in changes to consumer preferences, which may in turn result in reduced demand for our products. The demand for our products or our costs of doing business may also be adversely affected by public concern about nutrition, food safety and other factors, such as the use of genetically modified products. Some or all of our restaurant concepts may become less attractive in light of changing consumer preferences, and we may be unable to adapt to such changes in a timely manner or such changes that we adapt to our restaurant concepts may be unsuccessful. Any change in consumer preferences that decreases demand for our products or the acceptance of our restaurant concepts could adversely affect our business, financial condition, results of operations and prospects.

19. Failure to successfully update our menus and introduce new menu items and products may adversely affect our business.

Product development is an important factor in our industry in generating increases in sales. We regularly develop and intend to continue to develop and introduce new menu items and products. However, these new menu items and products may prove to be unsuccessful. We conduct several tests relating to new products before wide-scale implementation, including concept testing with guests in our loyalty programmes, in-house testing of products by our research and development department and limited in-restaurant testing at locations that cover the full range of our guest base. If a new product is successful in all phases of this testing, items are introduced throughout a restaurant concept on promotional menus and only the most successful are considered for inclusion on our regular menus. However, there can be no assurance that such efforts will be successful in identifying successful new products and avoiding unsuccessful introductions. Although we rarely substantially modify our menus, an inability to successfully introduce new menu items and products could adversely affect our business, financial condition, results of operations and prospects.

20. We may be unable to accurately forecast demand for our products.

The supply of raw materials for our food products is based primarily on forecasts and requirements prepared by our restaurant managers in consultation with our chefs. These forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment of the restaurant managers. Moreover, we are introducing certain new restaurant concepts and cuisines such as an Italian cafe where demand may be difficult to predict. An inability to accurately forecast demand for our food products would lead to excess supply or a shortage in the supply of raw materials from our suppliers, which would have a material adverse impact on our business, financial condition, results of operations and prospects.

21. We are dependent upon the adequate and timely delivery of quality ingredients by our suppliers and distributors, the failure of which could have an adverse effect on our business, results of operations and financial condition.

Our operations are dependent on adequate and timely deliveries of quality ingredients, including fresh produce. We depend substantially on third-party distributors and suppliers for such deliveries, and therefore, are subject to the risk that shortages or interruptions in supply, caused by factors such as adverse weather conditions, unanticipated demand, changes in governmental regulation and recalls of food products, could adversely affect the availability, quality and cost of ingredients. If the quality of our suppliers' ingredients declines, we may not be able to obtain replacements for such ingredients on commercially agreeable terms or at all in the open market. If our food quality declines due to the inferior quality of ingredients or due to interruptions in the flow of ingredients and similar factors, guest traffic may decline and negatively affect our results. In addition, the food supply industry in India is fragmented and unorganised and we depend on a number of local suppliers and butchers for our raw materials.

Further, there can be no assurance that our suppliers will not prematurely terminate their contracts with us or seek to vary the terms of the contracts. In addition, all of our supply agreements terminate after one year and we do not have exclusive supply arrangements with our suppliers. Our suppliers may discontinue operations or choose to work with our competitors, including if, among other things, they are offered better terms by our competitors. In the event of a major disruption to the timely supply of quality ingredients, alternative suppliers of food and/or distribution services (as the case may be) may only be available at higher prices or at terms much less favourable to us.

22. Increases in costs could result in a loss of revenue and adversely impact our business, financial condition, results of operations and prospects.

Our profitability depends in part on our ability to anticipate and react to changes in the cost of our supplies. Increases in the cost of important products could significantly increase our restaurant expenses. Most ingredients used in our restaurants, including cooking oil, meat products and vegetables, are commodities and therefore subject to price fluctuations as a result of seasonality, weather, supply and demand in local and international markets, economic conditions and other factors which are beyond our control. Increases in the cost of important raw materials could significantly increase our restaurant expenses. Expenses from materials (food and beverage) represented approximately 31.74%, 31.84%, 29.49% and 30.14% of our restaurants' expenses for Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, respectively.

We have no control over fluctuations in the price and availability of ingredients or variations in products caused by these factors. If we are not able to obtain requisite quantities of quality ingredients at commercially reasonable prices, our ability to provide the menu items that are central to our business would be adversely affected. For instance, in 2009, we were unable to obtain requisite supplies of broccoli due to shortages. Although we were able to substitute broccoli with other vegetables in that instance, there can be no assurance that we will be able to find substitutes for future shortages in other ingredients. In addition, any shortage of raw materials in the market generally could impact the prices charged by our suppliers, making the cost of raw materials more expensive for us. This in turn could result in an increase in prices to our guests which may reduce demand and therefore adversely affect our business, financial condition, results of operations and prospects.

In addition, we purchase electricity, oil, natural gas and other related supplies needed to operate our restaurants, and our suppliers generally purchase gasoline needed to transport food and supplies to us. Any significant increase in energy costs could adversely affect us through higher rates or imposition of fuel surcharges by our suppliers. In particular, we purchase a majority of our liquefied petroleum gas from certain Indian state-owned enterprises, and any significant increases in their prices for liquefied petroleum gas could result in a loss of revenue and adversely impact our business, financial condition, results of operations and prospects. In addition, significant increases in gasoline prices could result in a decrease of guest traffic at our restaurants. Our industry is also susceptible to power outages, which could result in restaurant closures, business disruptions and/or substantial costs associated with reliance on auxiliary power sources.

We cannot predict whether we will be able to anticipate and react favourably to changing costs by adjusting our purchasing practices and menu prices, and a failure to do so could adversely affect our business, financial condition, results of operations and prospects. In addition, because we operate in price sensitive markets, we would likely be unable to fully pass on price increases to our guests. Increases in our costs for any reason including those discussed above could adversely affect our business, financial condition, results of operations and prospects. In addition, if we are unable to adjust our significant fixed costs including lease costs and staff costs, in response to a reduction in revenues in the future, our business, financial condition, results of operations and prospects could be adversely affected.

23. ***Food-borne illnesses and resulting negative guest perceptions could adversely affect our business, financial condition, results of operations and prospects.***

We cannot guarantee that our internal controls and employee training will be able to prevent food-borne illness, food tampering and other food safety issues. In addition, we rely on third-party raw material suppliers, and, although we monitor them, such reliance may increase the risk that food-borne illnesses may affect one or many of our locations supplied by such third parties. Some food borne illness incidents could be caused by third-party food suppliers and transporters outside our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise that could give rise to claims or allegations on a retroactive basis. Incidents of food-borne illnesses or other food safety issues, including food tampering or contamination affecting our guests may result in litigation, negative publicity, increased costs of doing business and decreased demand at one or all of our restaurants, even if the illnesses are incorrectly attributed to our restaurants. The negative impact of adverse publicity, real or perceived, about our food quality or any illness, injury, other health concern or similar issue relating to one restaurant may extend far beyond the restaurant involved to affect some or all of our other restaurants.

In addition, nutritional, health and other scientific inquiries and studies, which can affect consumer perceptions and dining preferences, could adversely affect our business, financial condition, results of operations and prospects. Such incidents at other restaurants within the fine dining sector and negative publicity about the food service industry generally could also adversely affect our business, financial condition, results of operations and prospects, even if our restaurants are not directly affected.

24. Outbreaks of disease affecting our supply chain could adversely affect our business, financial condition, results of operations and prospects.

Outbreaks of disease affecting our supplies of poultry and fish products could significantly affect our ability to purchase such commodities, our operations and our costs of doing business. Among the diseases that could affect our supplies are highly contagious diseases that may spread rapidly through countries and regions. Even in countries with high veterinary standards, pigs sometimes contract foot and mouth disease and cattle "mad cow disease" (bovine spongiform encephalopathy).

In addition, avian influenza is a highly contagious viral disease that affects poultry and that has since 2005 spread rapidly in Asia. We select poultry suppliers who monitor their supply for the presence of avian influenza and other diseases. We also perform independent tests when there is a high risk of infection in the regions in which our suppliers operate, when we change providers (or our providers change production facilities) or in case of any guest complaints. Although avian influenza has not been detected in the production facilities of any of our suppliers, there can be no guarantee that it will not affect our suppliers in the future, and there can be no assurance that avian influenza will not spread within India, including the regions in which our suppliers' production facilities are located. If our third-party suppliers' poultry populations were to be infected, we may not be able to locate additional suppliers of poultry products or may be able to obtain poultry only at greatly increased prices that could adversely affect our results of operations.

Any outbreak of disease affecting our supply chain, or even one that does not affect our suppliers, may also create adverse publicity regarding our products, resulting in declining demand. Because we depend on third-party suppliers for these commodities, the risk of purchasing affected products is largely beyond our control. As a result of these and other factors, any outbreak of disease, or the possibility of an outbreak of disease, affecting our supply chain could adversely affect our business, financial condition, results of operations and prospects.

25. Negative publicity relating to one of our restaurants or to our merchandising activities could reduce turnover at some or all of our other restaurants.

We may, from time to time, receive negative publicity relating to food quality, restaurant facilities, service, health inspection scores, employee relationships, food contamination or other matters at one or more of our restaurants (company owned and operated and franchise). For instance, we have in the past and may in the future experience adverse publicity as a result of employee misconduct, including employee theft. Due to the branded nature of our business, any adverse publicity, whether disseminated in India or elsewhere, may negatively affect our reputation and our business generally, regardless of whether the allegations are valid, whether they are limited to just a single location or whether we are at fault. The negative impact of adverse publicity relating to one restaurant may extend far beyond the restaurant involved to affect some or all of our other restaurants. Any loss of confidence on the part of our guests would be difficult and costly to re-establish. This could lead to an adverse impact on our business, financial condition, results of operations and prospects.

26. We face risks associated with the expansion of our business in Indian cities and other locations as well as into new restaurant formats.

We currently plan to expand our operations in new locations in existing as well as new Metros and Tier I cities, and opportunistically, in Tier II cities in India. We may also opportunistically expand in certain international locations. These locations and cities will be new operating environments for us, located, in some instances, a great distance from our Mumbai headquarters. Although we seek to supervise these operations by use of our management teams in certain designated hub cities in which we operate that are relatively nearby, we may have less control over their activities and these businesses may face more uncertainties with respect to their operational needs. In future, we may launch new restaurant formats and develop additional brands to cater to different segments of the population. For example, we are in the process of developing an all day Italian cafe concept to cater to the 18 – 30 age group. We do not have substantial experience in such new restaurant concepts and brands. We may face challenges resulting in substantially greater costs as compared to our existing restaurants, restaurant formats and brands when entering new markets or new restaurant concepts and brands, such challenges include identifying and hiring experienced personnel, selecting and securing the best restaurant locations in light of the local real estate market and obtaining relevant regulatory approvals. We may face problems in establishing a reliable supply chain and raw materials may be available only at higher-than-anticipated costs, if at all. In addition, we may face additional challenges due to the unfamiliarity of consumers in the new markets or new restaurant concepts and brands, with our brands and, in some cases, our cuisines. We may also face competition from existing restaurant operators already established in these new locations and cities, and they may be able to respond more promptly to changes in guest needs and preferences. 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.

27. Our current restaurant locations may become unattractive.

The success of any restaurant depends substantially on its location. Given the rate of urban construction in India, there can be no assurance that our current restaurant locations will continue to be attractive as neighbourhoods or demographic patterns change. Neighbourhood or economic conditions where restaurants are located could deteriorate in the future, thus resulting in potentially reduced sales in these locations. In addition, some of our less profitable or unsuccessful restaurants may be subject to long-term non-cancellable leases, so that even if we decide to close such restaurants, we may nonetheless be required to perform our obligations under such leases including payment of lease rentals or pay penalties for terminating the leases, which will increase our operating costs. Any of these factors could adversely affect our business, financial condition, results of operations and prospects.

28. Our ability to raise capital for our future growth and expansion may be limited.

Changes in our operating plans, acceleration of our expansion plans, lower-than-anticipated sales, increased expenses or other events, including those described in this section, may cause us to seek additional financing on an accelerated basis. Financing may not be available on commercially acceptable terms, or at all. In addition, some of our facility agreements require us to seek the lenders' prior consent in order to incur additional indebtedness above certain thresholds. Additional financing, if available, may involve significant cash payment obligations and covenants and/or financial ratios that restrict our operational flexibility. Any failure to obtain financing in a timely manner or on commercially acceptable terms could adversely affect our business, financial condition, results of operations and prospects.

29. We have certain contingent liabilities which, if materialised, may adversely affect our business, results of operations, financial condition and prospects.

As of December 31, 2011, we had the following contingent liabilities that have not been provided for in our restated financial statements:

(in Rs. million)

Particulars	Amount
Claims not acknowledged by our Company as debts	186.62

In the event any of these contingent liabilities materialise, our business, results of operations, financial condition and prospects may be adversely affected. For details, see the section "Financial Statements" on page 168 of this Red Herring Prospectus.

30. We may seek to make acquisitions, which we may not be able to complete or integrate successfully.

We evaluate potential acquisition targets from time to time, and we may in the future seek to acquire businesses and assets in order to expand our operations and brand portfolio or to enter new markets. The completion of acquisitions and, if completed, the successful integration of such newly acquired businesses into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to, for example, time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower-than-expected benefits from such acquisitions.

31. Our future growth also depends on our ability to increase existing restaurant sales and penetrate deeper into existing geographic locations.

While future sales growth will depend in part on our plans for new restaurant openings, deeper penetration into existing geographic locations and sales of existing restaurants will also affect our sales growth and will continue to be critical factors affecting our revenue and profit. Our ability to increase existing restaurant sales depends in part on our ability to successfully implement our initiatives to increase throughput, such as increasing the cover turnaround. 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 existing restaurant sales growth or that existing restaurant sales, could decrease, or 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.

32. We face strong competition in our business.

The fine dining sector of the restaurant industry in India is subject to growing competition in the markets in which we compete. There is increasing competition in respect of price, service, location and food quality. In addition, there is also competition for, attractive suitable real property in the fine dining sector. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new cuisines that appeal to consumer tastes. New entrants may include global fine dining restaurant businesses which benefit from global brand recognition and have significant experience in entering and operating in new markets and significant management, marketing and financial resources. We may also face competition from existing, experienced fine dining businesses willing to accept low margins on investment in order to enter new markets as well as from business conglomerates willing to cross-subsidise a new fine dining business in order to enter new markets. In addition, the fine dining sector of the restaurant industry in India is fragmented. As a result, in addition to national and regional fine dining restaurant chains, we also compete with smaller restaurant chains as well as individual restaurants within the cities in which we operate. A significant increase in competition, whether from one new competitor or many, could exert downward pressure on prices, lower demand for our products and restaurant concepts, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects.

33. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business, which may adversely affect our business, results of operations, financial condition and prospects.***

As of December 31, 2011, we had consolidated secured indebtedness of Rs. 260.02 million, and we may incur additional indebtedness in the future. Our indebtedness (both current and future) could have several adverse consequences, including, but not limited to the possibility that we may be required to dedicate a portion of our cash flow towards repayment of our debt, our ability to obtain additional financing in the future may be impaired, and fluctuations in market interest rates may adversely affect the cost of our borrowings.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things, reorganisation, amalgamation or merger, incurrence of additional indebtedness, disposition of assets, expansion of our business, declaration of dividends and certain capital expenditures. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements and in turn magnify the effect of any individual default. Our borrowings are secured against all or a portion of our assets including our credit card receivables. For further details on our financial indebtedness, please refer to the section “Financial Indebtedness” on page 243 of this Red Herring Prospectus.

We cannot provide any assurance that our business will generate sufficient cash to service our debt or to fund our other liquidity needs as they come due. In addition, we may need to refinance all or a portion of our debt on or before maturity.

34. ***We have issued Equity Shares on preferential basis in the last 12 months at a price which may be lower than the Issue Price.***

We have on November 21, 2011, issued and allotted 4,977,500 Equity Shares and 1,710,000 Equity Shares to SAIF and Glix Securities, respectively, upon the conversion of their respective Preference Shares. For further details, see sections “Capital Structure” and “History and Certain Corporate Matters—Shareholders’ Agreements” on pages 70 and 140, respectively of this Red Herring Prospectus.

35. ***Our operating results depend on the effectiveness of our marketing and advertising programmes.***

Our revenues are influenced by brand marketing and advertising. We rely to a large extent on our Founder and Promoter’s and senior management’s experience in defining our marketing and advertising programmes. We also rely on the expertise of a related party, Situations Advertising, which is engaged in the marketing and advertising business, to manage our advertising and marketing activities. If our Founder and Promoter, senior management or Situations Advertising leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new guests and retain existing guests. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

The support of our employees, particularly our restaurant managers, is also critical for the success of our marketing programmes, such as local store marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and could materially harm our business, financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of television or radio advertising, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business, financial condition, results of operations and prospects.

36. We rely in part on our franchisees, and if our franchisees cannot develop or finance new restaurants or build them on suitable sites, open them on schedule or manage them successfully, our growth and success may be affected.

For Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, the royalty and management fees earned from our franchise arrangements have constituted 0.26%, 1.14%, 2.08% and 2.05% of our total operating income. Our business strategy depends in part on the successful franchising of our restaurant concepts. We may not be able to identify suitable franchisees or we may not correctly manage our existing franchisees. Although we have developed criteria to evaluate and screen prospective franchisees, we cannot be certain that the franchisees we select will have the business acumen or financial resources necessary to operate successful franchises. Franchisees are independent business operators and, although we have control of the operations under the terms of our franchise agreements, we do not exercise absolute control over their day-to-day operations. We provide training and support to franchisees and set and monitor operational standards, but there can be no assurance that our training and standards will be effective, and the quality of franchised restaurant operations may be diminished by various factors beyond our control. The failure of franchisees to maintain our standards could adversely affect our reputation, our brands and our business, financial condition, results of operations and prospects.

Franchisees, may from time to time disagree with our business strategies or our interpretation of rights and obligations under the franchise agreement. This may lead to disputes with our franchisees, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, if one or more of these franchisees were to become insolvent or otherwise were unwilling or unable to pay us their fees, it could adversely affect our financial condition and results of operations.

37. Our operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to various factors.

Our operating results may fluctuate significantly because of various factors, including:

- changes in consumer preferences and discretionary spending;
- the timing of new store openings and related revenues and expenses;
- fluctuations in the cost of raw materials;
- labour availability and wages of restaurant management and staff;
- profitability of our restaurants;
- variations in general economic conditions;
- negative publicity about the ingredients we use or the occurrence of food-borne illnesses or other problems at our restaurants; and
- changes in comparable restaurant sales and guest orders, including as a result of declining consumer confidence or the introduction of new menu items.

As a result of these factors and others, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year. Average restaurant sales or comparable store sales in any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors, which could cause our stock prices to fall.

38. We have entered into certain related party transactions and there can be no assurance that such transactions will not have an adverse effect on our business, financial condition, results of operations and prospects.

We have entered and may continue to enter into a number of related party transactions. For Fiscal Years 2010, 2011 and the nine months ended December 31, 2011, we entered into related party transactions, certain of which are detailed in the following table:

(in Rs. million)

Sr. No.	Particulars	Amount		
		Fiscal Year 2010	**Fiscal Year 2011**	**Nine months ended December 31, 2011**
1.	Interest income	2.99	2.80	2.06
2.	Purchases	35.67	16.89	-
3.	Remuneration	7.72	6.69	3.15
4.	Professional fees	1.68	1.41	-
5.	Rent and other expenses paid	43.07	76.83	58.74

For further details of our historical related party transactions, see the section "Financial Statements" on page 168 of this Red Herring Prospectus. For details of related party transactions following the date of our last audited balance sheet, see the section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

39. There are potential conflicts of interest with our Group Companies. Such conflicts of interest may have an adverse effect on our business, financial condition, results of operations and prospects.

Our Founder and Promoter is a majority shareholder and a director on the board of Situations Advertising and certain of our other Group Companies. See the sections "Our Promoters and Promoter Group" and "Group Companies" on pages 154 and 157, respectively, of this Red Herring Prospectus. Our Founder and Promoter commits some of his time and resources to each of Situations Advertising and certain of our other Group Companies. There can be no assurance that our Founder and Promoter's roles in such Group Companies do not present any conflicts of interest or potential conflicts of interest and that he will continue to be able to commit adequate time and resources to our Company.

Further, the memorandum of association of certain of our Group Companies, including, Shruthi Hotels Enterprises Private Limited, Mainland Restaurants Private Limited, Speciality Hotels India Private Limited and Quik Service Restaurants Private Limited, entitle such companies to undertake and carry out businesses that are similar or related to our business. For further details, see the section "Group Companies" on page 157 of this Red Herring Prospectus. There can be no assurance that such Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, we have relied extensively on the NRAI Report 2010 in the section "Industry" on page 104 of this Red Herring Prospectus. Our Founder and Promoter is one of the founders and the current vice president of the National Restaurants Association of India, and as a result, there can be no assurance that the information in the NRAI Report 2010 does not present any conflicts of interest.

40. ***Our costs of compliance with health, safety and environmental laws are expected to be significant, and the failure to comply with existing and new health, safety and environmental laws could adversely affect our results of operations.***

Our business is subject to national, state and municipal laws and regulations, which govern the handling and storage of food products, as well as the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations.

In addition, we are also subject to regulation relating to local land use controls, permits planning permission, fire and safety standards, minimum wage, wage payment, employment discrimination and import and export of goods and customs regulations. For further details, see the section "Regulations and Policies" on page 135 of this Red Herring Prospectus. We could be subject to substantial civil and criminal liability and other regulatory consequences in the event that a health or environmental hazard was to be found at any of our restaurants or if any of our operations result in contamination of the environment, including the spread of any infection or disease. We may be the subject of public interest litigation in India relating to allegations of such contamination, as well as in cases having potential criminal and civil liability filed by regulatory authorities. If such cases are determined against us, there could be an adverse effect on our business and operations. In addition, health, safety and environmental regulation in India may become more stringent, and the scope and extent of new regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in health, safety or environmental regulations, we may be required to incur significant amounts on health, safety and environmental audits and monitoring, pollution control equipment and emissions management. While we maintain insurance coverage, in amounts which we believe are commercially appropriate, we may be unsuccessful in asserting our claim for certain liabilities or losses under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows.

We also serve alcoholic beverages in certain of our restaurants and in *Shack* and *Kix*. Alcoholic beverage control regulations relate to numerous aspects of a restaurant's operations, including the hours of operation, advertising, wholesale purchasing, inventory control and the handling, storage and dispensing of alcoholic beverages. We are subject to licensing and regulation by a number of governmental authorities. For details, see the sections "Regulations and Policies" and "Government and Other Approvals" on pages 135 and 258, respectively, of this Red Herring Prospectus. Changes to licensing and regulation could cause us to incur additional costs which we may not be able to pass on to our guests or which may lead to higher prices being charged to consumers making dining out in such restaurants less attractive and leading to a decline in sales.

Additionally, a change in VAT, service tax or other tax regimes applicable to our business may result in uncertainty, disruption to operations and/or implementation costs which we may not be able to pass on to our guests or which may lead to higher prices being charged to consumers, making dining out less attractive and leading to a decline in sales. Furthermore, the Finance Bill, 2012 which was presented before the Parliament on March 16, 2012 shall, subject to the approval of the Parliament and the President, be enacted into the Finance Act, 2012. If the Finance Act, 2012 is enacted, with or without modifications to the Finance Bill, 2012 tax rates could change and this may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of proposed changes.

41. ***We require a number of approvals, licences, registrations and permits in the ordinary course of our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.***

We require a number of approvals, licences, registrations and permits for our business. Additionally, we may need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. For more information, see section "Government and Other Approvals—Approvals for conducting our business in India" on page 258 of this Red Herring Prospectus. Some of our approvals in relation to our restaurants located in various parts of India are yet to be obtained, due to which the relevant authorities may impose penalties for non-compliance.

In relation to our top 10 restaurants (on the basis of sales for Fiscal Year 2011), the following applications are pending before the relevant local authorities:

S. No.	Details of Applications Pending	Details of Regulatory Authority
***Mainland China*, Andheri (West), Mumbai**		
1.	Application for renewal of 'public place entertainment licence'	Assistant Commissioner of Police, D. N. Nagar Division, Andheri (West), Mumbai
***Mainland China*, Church Street, Bengaluru**		
2.	Application for renewal of 'hoarding permission'	Office of the Commissioner, Advertising Section, Bruhat Bengaluru Mahanagara Palike, Bengaluru
3.	Application for renewal of 'food licence'	Chief Health Officer, Local (Health) Authority, Bangalore Mahanagara Palike, Bangalore
***Mainland China*, Gurusaday Road, Kolkata**		
4.	Application for renewal of 'police license/police certificate'	Commissioner of Police, Kolkata
5.	Application for renewal of 'excise license'	Collector of Excise (South), Department of Excise, Kolkata
6.	Application for renewal of 'fire license'	Special Officer and Deputy Secretary, Local Government and Urban Development Department, Government of West Bengal
***Mainland China*, ICC Mall, Pune**		
7.	Application for renewal of 'excise licence'	Superintendent of State Excise, Pune
***Mainland China*, South City, Kolkata**		
8.	Application for renewal of 'excise license'	Collector of Excise, Department of Excise, Government of West Bengal
***Mainland China,* Indiranagar, Bengaluru**		
9.	Application for renewal of 'food licence'	Chief Health Officer, Local (Health) Authority, Bangalore Mahanagara Palike, Bangalore

In relation to our top 10 restaurants (on the basis of sales for Fiscal Year 2011), applications are yet to be submitted, before relevant regulatory authorities, for renewal of the following licenses:

S. No.	Details of licenses	Details of Regulatory Authority
***Mainland China*, Gurusaday Road, Kolkata**		
1.	Trade licence	Kolkata Municipal Corporation
2.	Indian Performing Rights Society licence	The Indian Performing Right Society Limited, Mumbai
3.	Amusement licence	Municipal Commissioner, Kolkata Municipal Corporation
4.	Public Performance licence	Phonographic Performance Limited
***Mainland China*, South City, Kolkata**		
5.	Indian Performing Rights Society licence	The Indian Performing Right Society Limited, Mumbai
6.	Amusement licence	Municipal Commissioner, Kolkata Municipal Corporation
7.	Public Performance licence	Phonographic Performance Limited

If we fail to obtain any applicable approvals, licences, registrations and permits in a timely manner, we may not be able to expand our business on time, or at all, which could affect our business and results of operations. For example, we expect our restaurants' revenues to increase upon receipt of liquor license. In January 2012, we closed a Flame & Grill restaurant in Kolkata as a result of our failure to obtain the liquor licence for the restaurant. In addition, our government approvals and licences are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the opening of new restaurants or the closure of existing restaurants, which may adversely affect our business, financial condition, results of operations and prospects.

42. We require certain approvals, licences, registrations and permits in relation to development of our New Restaurants and food plaza which we plan to fund using a portion of the Net Proceeds of the Issue, and any failure to obtain such approvals, licences, registrations and permits in a timely manner may adversely affect our business, financial condition, results of operations and prospects.

We require certain approvals, licences, registrations and permits in relation to development of our New Restaurants and the food plaza, both of which we plan to fund by utilising a portion of the Net Proceeds of the Issue. The material approvals, licences or permits required for our New Restaurants include trade licence, fire licences, health licences, licences under prevention of food adulteration laws, excise and tax laws, environment laws and shops and establishment licences, as applicable. Required approvals and/or licences vary based on the location of the New Restaurants as well as the nature of activities specific to each of the New Restaurants. See "Government and other Approvals" on page 258 of this Red Herring Prospectus for further details on the required material approvals for the operation of our company owned and operated restaurants. The approvals and permits that we require for the food plaza include, building and construction permits and municipal sanctions including a certificate of completion from the municipal authorities, environmental clearances, no-objection certificates from fire services department, microwave and clearance from Airports Authority of India, trade licences, licence to operate a permit room, food licence, licence under prevention of food adulteration laws, shops and establishment licences and licences and registrations under excise and tax laws, as applicable. We have not yet applied for any approvals or licences required in relation to development of the food plaza.

Of the 16 New Restaurants that we propose to open in Fiscal 2013, we have identified premises for three restaurants as on March 31, 2012 and have also entered into arrangements to lease property for three such restaurants that will be located in Mumbai, Pune and Thane. We are yet to apply for the approvals, licences, registration and permits required for these restaurants.

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the development of our New Restaurants and the food plaza which could otherwise adversely affect our business, financial condition, results of operations and prospects.

43. We may be required to recognise special charges if specific assets are underperforming or if we conclude that there is a need to close specific restaurants.

Impairment charges are required by accounting principles when an asset, such as a restaurant, performs poorly and we determine that the asset is worth less than its value as stated in our accounting records. In conjunction with our restaurant monitoring strategy, we periodically review the operating results of individual restaurants to determine if impairment charges on underperforming assets are necessary. In addition, from time to time, we close restaurants and recognise an impairment charge. Impairment charges and other special charges will reduce our profits.

44. Our insurance coverage may be inadequate, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations.

We insure our property, equipment and product stock in India with major Indian insurance companies. The list of insured accidents includes risk of damage caused as a result of fire, gas and other household explosions, flood and water main accidents, robbery and criminal activity, vandalism and unlawful acts of third parties, power outages, unexpected failure of freezing equipment, terrorism and other similar events. We currently have the following types of insurance, with certain deductibles and limitations of liability in place for our company owned and operated restaurants and confectionaries: (1) property insurance covering all risks of physical loss of, or damage to, our property; (2) public liability insurance indemnifying us for damages for which we may become legally liable arising out of our business operations; (3) money insurance which covers money in restaurants or in transit accompanied by our authorised staff during business hours between our restaurants or offices and banks, guests' premises or post offices; (4) directors and officers insurance; (5) loss of profit policy covering business losses due to business suspensions caused by external factors and (6) vehicle insurance for vehicles used by our Company's staff and officials. In Fiscal Year 2011, we incurred Rs. 4.18 million on insurance premiums.

We determine the amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on our assets at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets. Any large uninsured loss or insured loss which significantly exceeds the insurance coverage could adversely affect our business, financial condition, results of operations and prospects.

45. Most of our restaurants are susceptible to the consequences of extreme weather conditions.

Most of our restaurants are or may in future, be primarily located in regions in India that may be susceptible to severe weather conditions including monsoon rains, storms and other similar conditions, all of which may flood and/or damage our restaurants, result in fewer visitors to our restaurants or closure of restaurants for extended or indefinite periods of time or otherwise have a material adverse impact on their operations. Such weather conditions may also materially and adversely affect sales volumes seasonally in some or all of the markets where our restaurants operate.

For Fiscal Year 2011and for the nine months ended on December 31, 2011 western India accounted for 39.07% and 40.67% of our total revenues, respectively. Mumbai and our other restaurant locations in western India have often experienced severe monsoon rains. There can be no guarantee that substantial expenditure will not be required as a result of floods or any other events arising as a result of extreme weather conditions affecting Mumbai or any other locations where our restaurants have operations. Such expenditure could have a material adverse effect on our business, results of operations and financial condition.

46. Our restaurant sales are subject to seasonality and job market trends.

Our restaurant sales volume experiences moderate seasonal fluctuations. Overall, restaurant turnover is generally higher in the second half of the year and lower in the first due to the festive season of Diwali and Christmas in the second half of the year. Weather conditions can also have an influence on our business. For example, we may experience a decrease in business for restaurants in some locations during the monsoon season in the months of June to September. We may also experience a decrease in business for restaurants in certain locations during certain religious holidays. Operating costs, which remain relatively constant, have a disproportionately greater negative effect on operating results during periods with lower restaurant turnover.

Our restaurants located in the Metros and Tier I cities in India are affected by various factors. Restaurants in certain areas of these Metros and Tier I cities are affected by the level of employment in those cities. Accordingly, a decrease in the levels of employment in the Metros and Tier I cities where we have operations, could negatively affect our business, financial condition, results of operations and prospects.

47. ***Our use of imported foodstuffs and equipment exposes us to the risk of the imposition or increase of tariffs, duties, quotas and other limitations on imported foodstuffs.***

We depend to a certain extent on ingredients and equipment that are imported from China by local third party suppliers in Mumbai from whom we purchase such ingredients and equipment. We may in future, directly import certain ingredients or additional items from China or other countries. India has in place import quotas and tariffs on food products imported from China, which generally increases prices for imported products. We have no control over the imposition of such measures and such restrictions may increase in the future, thereby increasing the costs of these commodities and negatively affecting our results of operations.

In addition, Indian authorities may ban imports of foodstuffs into India, as a result of health or other considerations. These and other measures that reduce the supply of imported foodstuffs available on global markets, or the supply available in India, may cause prices for certain of our ingredients to increase, thereby increasing our costs. To the extent that we are not able to increase the price of the products sold in our restaurants without negatively affecting demand or to adjust our menu offerings to compensate for higher costs of ingredients, the imposition or continuation of such measures could adversely affect our business, financial condition, results of operations and prospects.

48. ***We have not entered into any substantive agreements for the use of the Net Proceeds and the objects for which we intend to use the Net Proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Further, no monitoring agency has been appointed in respect of the objects of the Issue.***

While we intend to use the Net Proceeds that we receive from the Issue for the purposes described in the section "Objects of the Issue" on page 80 of this Red Herring Prospectus, we have not entered into any definitive agreements to utilise any portion of the Net Proceeds. Any failure to enter into any such agreement on favourable terms, in a timely manner, or at all, may have an adverse effect on our business, results of operations, financial condition and prospects. In addition, the funds requirement and funding plans 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. Further, 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 benefits intended. For further details, refer to the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

49. ***The Indian food services industry has a history of being fragmented and unorganised, lacking sufficient reliable industry data. As a result, third party statistical and financial data in this Red Herring Prospectus may be incomplete or unreliable.***

The restaurant industry in India is currently not recognised as a separate industry and is grouped as part of the hotel industry by the Ministry of Tourism in India. As a result, the industry lacks centralised and standardised controls across India. In addition, the restaurant industry in India has a history of being fragmented and unorganised, comprising roadside eateries and street stalls spread across India *(Source: The NRAI Report 2010)*. As such, industry data on the restaurant industry in India is limited and may be incomplete or unreliable.

In addition, we have not independently verified the data in this Red Herring Prospectus that comes from the industry publications and other third party sources and therefore we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, discussions of matters relating to India, its economy and our industry in this Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

External Risk Factors

50. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy could adversely affect our business, results of operations, financial condition and prospects.

51. Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.

We are incorporated in India and all of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business is also impacted by regulation and conditions in the various states in India where we operate. Our business, and the market price and liquidity of the Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued. Any political instability could affect the rate of economic liberalisation, specific laws and policies affecting foreign investment, the restaurant industry or investment in our Equity Shares. A significant change in the Government's policies, in particular, those relating to the restaurant industry in India, could adversely affect our business, results of operations, financial condition and prospects and could cause the price of our Equity Shares to decline.

52. A third party could be prevented from acquiring control over us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a third party from attempting to acquire control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you.

Under the Takeover Code, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its shareholders, such a takeover may not be attempted or consummated because of Indian takeover regulations.

53. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our business operations or acquisitions and other strategic transactions, and consequently could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all.

54. It may not be possible for you to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated as a public limited company under the laws of India and all of its directors and executive officers reside in India. A substantial portion of our assets are, and assets of our executive officers and directors may be, located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce in court outside India judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to execute such a judgment or to repatriate any amount recovered.

55. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business, results of operations, financial condition and prospects.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures, and the price of our Equity Shares.

56. Our business and activities will be regulated by the Competition Act, 2002.

The Parliament of India enacted the Competition Act, 2002 (the "Competition Act") for the purpose of preventing practices having an adverse effect on competition in the relevant market in India under the auspices of the Competition Commission of India (the "CCI"). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act.

The effect of the Competition Act on the business environment in India is currently unclear. If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business, results of operations, financial condition and prospects.

57. Outbreak of contagious diseases in India may have a negative impact on the Indian economy.

Recently, there have been threats of epidemics in the Asia Pacific region, including India and in other parts of the world such as H1N1 or "swine flu". If any of our employees are suspected of having contracted any of these infectious diseases, we may be required to quarantine such employees or the affected areas of our facilities and temporarily suspend part or all of our operations. Further, the fear of contracting such contagious diseases could restrict our management and/or employees from travelling within or outside India which could disrupt our operations. The temporary suspension of part or all of our operations or the inability of our management and/or employees to travel within or outside India as a result of any epidemic would have a material adverse effect on our business, results of operations, financial condition and prospects.

58. Regional hostilities, terrorist attacks or social unrest in India and South Asia or other countries, could adversely affect the financial markets and the trading price of the Equity Shares could decrease.

Terrorist attacks and other acts of violence or war including those involving India, the United States or other countries, may adversely affect the Indian and worldwide financial markets. On November 26, 2008, terrorists staged a coordinated attack on several prominent international hotels and various other locations in the financial centre of Mumbai. Such terrorist acts may result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations, financial condition and prospects. Increased volatility in the financial markets, including economic recession, can have an adverse impact on the economies of India and other countries.

In addition, South Asia has from time to time experienced instances of civil unrest and hostilities among neighbouring countries. Present relations between India and certain of its neighbouring countries continue to be fragile because of issues such as terrorism, armament and other political and social matters. Increased tensions and hostilities may occur in the future and on a wider scale. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy by disrupting communications and making travel and transportation more difficult.

India has also experienced social unrest, communal disturbances and riots in some parts of the country during recent times. Such political and social tensions could create a perception that investments in Indian companies involve greater degrees of risk. These hostilities and tensions could lead to political or economic instability in India and a possible adverse affect on the Indian economy, our business, future financial performance and the trading price of the Equity Shares.

Investment Risks

59. There is no existing market for the Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.

Prior to the Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- volatility in the Indian and other global securities markets;
- the performance of the Indian and global economy;

- risks relating to our business and industry, including those discussed in this Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- adverse media reports about us, our shareholders or Group Companies;
- future sales of the Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- perceptions about our future performance or the performance of Indian restaurant companies generally;
- performance of our competitors in the Indian restaurant industry and the perception in the market about investments in the restaurant sector;
- significant developments in the regulation of the restaurant industry in our key locations;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

60. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

61. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

62. Our ability to pay dividends in the future will depend upon future earnings, financial conditions, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will be able to pay dividends. Additionally, we may be prohibited by the terms of our future debt financing agreements to make any dividend payments until a certain time period as may be agreed with lenders.

63. Significant differences exist between Indian GAAP and IFRS as well as valuation methods and accounting practices in the restaurant industry which may be material to the restated financial statements prepared and presented in accordance with SEBI Regulations contained in this Red Herring Prospectus.

As stated in the reports of our auditors included in this Red Herring Prospectus, the restated financial statements included in this Red Herring Prospectus are based on financial information that is based on the financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as IFRS. Significant differences exist between Indian GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In addition, there are no standard valuation methodologies or accounting practices used by the emerging restaurant industry in emerging markets including India. Therefore, the financials of our Company are not comparable with other companies in the industry. We have made no attempt to quantify the effect of any of those differences. In making an investment decision, investors must rely upon their own examination of us, the terms of the Issue and the financial information contained in this Red Herring Prospectus.

64. We will be required to prepare our financial statements in accordance with IFRS effective from April 1, 2014. There can be no assurance that our adoption of 'Indian Accounting Standards converged with IFRS'("IND-AS") will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS from April 1, 2014 could have an adverse effect on the price of the Equity Shares.

Based on the current timeline announced convergence of 'Indian Accounting Standards' with IFRS for Indian companies, we estimate that the earliest that our Company would need to prepare annual and interim financial statements under IND-AS would be the financial period commencing from April 1, 2014. There is currently a significant lack of clarity on the adoption of, and convergence to IND-AS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, and we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. As we transition to IND-AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IND-AS financial statements. There can be no assurance that our adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS from April 1, 2014 could have an adverse effect on the price of the Equity Shares.

65. We will continue to be controlled by our Promoters and Promoter Group following this Issue and our other shareholders may not be able to affect the outcome of shareholder voting.

After the completion of the Issue, our Promoters and Promoter Group will collectively hold approximately 60.69% of the fully diluted post-Issue equity capital. Consequently, our Promoters and Promoter Group may exercise substantial control over us and may have the power to elect and remove a majority of our directors and/or determine the outcome of proposals for corporate action requiring approval of our board of directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters and Promoter Group may be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our directors and, in turn, indirectly controlling the selection of our senior management, determining the timing and amount of any dividend payments (if any), approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company. The interests of our Promoters and Promoter Group could conflict with the interests of our other shareholders, including the holders of the Equity Shares to be offered, and the Promoters and Promoter Group could make decisions that materially adversely affect your investment in the Equity Shares to be offered. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's favour.

For further information, please refer to the sections "Capital Structure" and "Our Promoters and Promoter Group" on pages 70 and 154, respectively of this Red Herring Prospectus.

66. There will be restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Our Equity Shares, once listed, will be subject to a daily circuit breaker imposed by the Stock Exchanges, which will not allow transactions beyond specified increases or decreases in the price of our Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set at some point by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares.

The Stock Exchanges may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

67. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

68. There can be no assurance that our Company's securities will continue to be listed on the Stock Exchanges.

Pursuant to the listing of the Equity Shares on the Stock Exchanges, we will be required to comply with certain regulations and/or guidelines as prescribed by SEBI and the Stock Exchanges. However, in the event that we fail to comply with any of the aforesaid regulations and/or guidelines, there can be no assurance that our Equity Shares will continue to be listed on the Stock Exchanges.

69. There may be less information available about companies listed on Indian stock exchanges than companies listed on stock markets in other countries.

After completion of this Issue, our Equity Shares will be publicly listed on the Stock Exchanges. The Equity Shares will not be listed on any stock exchange in any other country outside India. There is a difference between the level of regulation and monitoring of the Stock Exchanges and the activities of investors, brokers and other participants in the Indian stock markets and that of stock markets in other countries, including stock markets in countries with more developed economies such as the United Kingdom and the United States. Additionally, there may be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, you may have access to less information about our business, results of operations and financial condition and those of our competitors that are listed on Indian stock exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of other countries.

70. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or "demat" accounts with depository participants in India are expected to be credited within three working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Upon receipt of final approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within 12 Working Days from the Bid/Issue Closing Date. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict the investor's ability to sell the Equity Shares.

71. Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of the Equity Shares and our Company's ability to raise capital through an issue of securities. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

72. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the Reserve Bank of India ("RBI"). If the transfer of shares, which are sought to be transferred is not in compliance with such requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. Our Company cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. For more information, see section "Restrictions on Foreign Ownership of Indian Securities" on page 312 of this Red Herring Prospectus.

Prominent Notes:

1. Our Company was incorporated on December 1, 1999 under the Companies Act as a private limited company under the name "Speciality Restaurants Private Limited". Our Company was converted into a public limited company pursuant to a special resolution of our shareholders, dated February 4, 2011, following which our name was changed to "Speciality Restaurants Limited", and a fresh certificate of incorporation was issued consequent to the conversion into a public limited company, on February 10, 2011. There was no change in our Company's activities pursuant to the change in name and consequently, there was no change in the objects clause of our Company's Memorandum of Association. For details, please see the section "History and Certain Corporate Matters" on page 138 of this Red Herring Prospectus.

2. The average cost of acquisition of Equity Shares by its own Promoters is Rs. 0.18 per Equity Share.

3. Public Issue of 11,739,415 Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue will constitute 25.00% of the fully diluted post issue paid up equity capital of our Company.

4. Our Company's net worth as at December 31, 2011 was Rs. 1,126.42 million based on the restated financial statements.

5. The net asset value per Equity Share was Rs. 38.14 as at December 31, 2011 as per our Company's restated financial statements.

6. Summaries of our related party transactions as of March 31, 2007, 2008, 2009, 2010 and 2011 and December 31, 2011 are set forth in the tables below.

(in Rs. million)

Sr. No	Particulars	For the year ended March 31, 2007					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	-	12.66	-	31.55	6.64	37.64
2	Enterprises over which directors or relatives of directors exercise control/ significant influence	1.53	29.29	20.82	(0.49)	55.95	8.18
3	Relatives of key management personnel	-	0.57	-	-	-	8.10
	Total	**1.53**	**42.52**	**20.82**	**31.06**	**62.59**	**53.92**

(in Rs. million)

Sr. No	Particulars	For the year ended March 31, 2008					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	0.02	17.76	-	4.47	6.59	42.55
2	Enterprises over	1.80	49.28	1.32	3.18	57.27	22.17

Sr. No	Particulars	For the year ended March 31, 2008					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
	which directors or relatives of directors exercise control/ significant influence						
3	Relatives of key management personnel	-	0.65	-	0.58	-	8.68
	Total	**1.82**	**67.69**	**1.32**	**8.23**	**63.86**	**73.40**

(in Rs. million)

Sr. No	Particulars	For the year ended March 31, 2009					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	-	19.99	-	2.37	5.92	46.61
2	Enterprises over which directors or relatives of directors exercise control/ significant influence	2.93	66.89	(0.54)	0.09	56.73	35.54
3	Relatives of key management personnel	-	0.69	-	0.62	-	9.30
	Total	**2.93**	**87.57**	**(0.54)**	**3.08**	**62.65**	**91.45**

(in Rs. million)

Sr. No	Particulars	For the year ended March 31, 2010					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	-	13.52	3.00	(0.15)	6.12	44.16
2	Enterprises over which directors or relatives of directors exercise control/ significant influence	2.99	74.62	(4.87)	(1.29)	52.35	17.42
3	Relatives of key management personnel	-	-	-	-	-	9.30
	Total	**2.99**	**88.14**	**(1.87)**	**(1.44)**	**58.47**	**70.88**

(in Rs. million)

Sr. No	Particulars	For the year ended March 31, 2011					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	-	11.51	-	1.15	3.00	45.83
2	Enterprises over	2.80	90.31	(1.25)	-	54.32	32.80

Sr. No	Particulars	For the year ended March 31, 2011					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
	which directors or relatives of directors exercise control/ significant influence						
3	Relatives of key management personnel	-	-	-	(0.06)	-	9.24
	Total	**2.80**	**101.82**	**(1.25)**	**1.09**	**57.32**	**87.87**

(in Rs. million)

Sr. No	Particulars	For the Nine Months ended December 31, 2011					
		Transaction Amount				Balance Outstanding	
		Income	Expense	Receivables (Net)	Payables (Net)	Receivables	Payables
1	Key Management personnel	-	5.71	-	-	3.00	46.00
2	Enterprises over which directors or relatives of directors exercise control/ significant influence	2.06	56.18	31.95	(2.85)	86.27	26.57
3	Relatives of key management personnel	-	-	-	-	-	9.24
	Total	**2.06**	**61.89**	**31.95**	**(2.85)**	**89.27**	**81.81**

For further details of related party transactions entered into by our Company, see section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

7. There has been no financing arrangement whereby the Promoter Group, the Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

8. The Promoters are interested in our Company by virtue of its shareholding in our Company. For further details in relation to the interest of our Promoters, see the sections "Capital Structure," "Our Management" and "Our Promoters and Promoter Group-Interests of Promoters and Common Pursuits" and "Group Companies" on pages 70, 142, 154 and 157, respectively, of this Red Herring Prospectus.

9. Investors may contact the BRLM for complaints, information or clarifications pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information and forecasts in this section are derived from the NRAI Report 2010, the India Retail Report 2009, the India Retail Report 2011, the Food Habits of India 08-09, (the "Technopak Report 2009"), the McKinsey Global Institute Report, India's Urban Awakening Building Inclusive Cities, Sustaining Economic Growth dated April 2010 (the "McKinsey Report 2010"), and other industry sources as well as government publications. Neither the Company, the BRLM nor any other person connected with the Issue have independently verified this information or forecasts. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. See section "Risk Factors—The Indian food services industry has a history of being fragmented and unorganised, lacking sufficient reliable industry data. As a result, third party statistical and financial data in this Red Herring Prospectus may be incomplete or unreliable" on page 34 of this Red Herring Prospectus. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from estimates or projections. See section "Forward-Looking Statements" on page 11 of this Red Herring Prospectus. For further details in relation to the food service industry in India, see section "Industry" on page 104 of this Red Herring Prospectus.

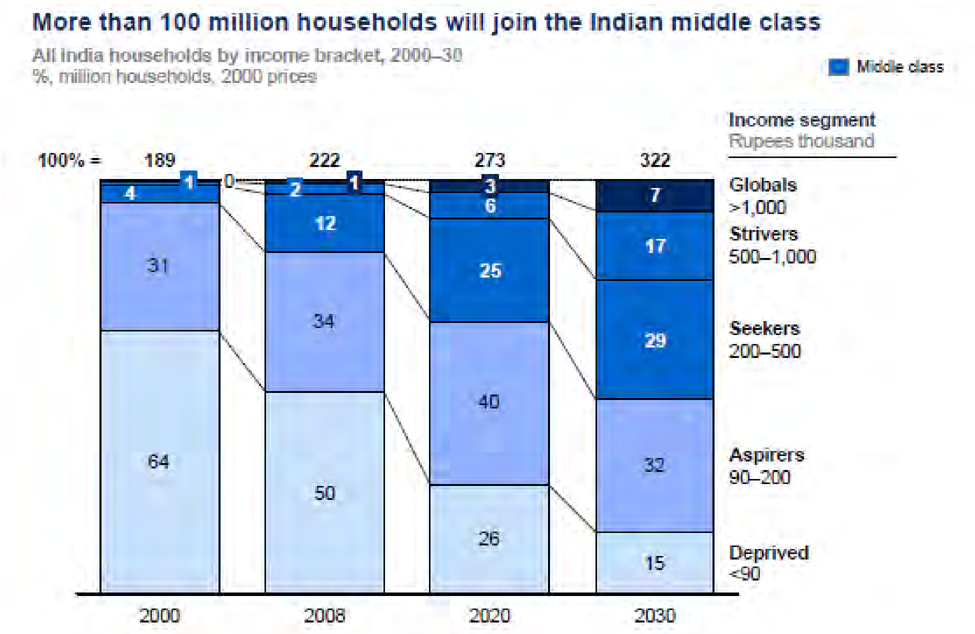
India's Economy

India is the world's fifth largest economy after the European Union, the United States of America, China and Japan in purchasing parity terms, with an estimated real gross domestic product ("GDP") estimated at US$4.0 trillion in 2010 *(Source: CIA World Factbook 2010)*.

As per the Reserve Bank of India ("RBI"), India's GDP at factor cost (2004-2005 prices) experienced a growth rate of 6.8%, 8.0% and 8.5% in the fiscal years 2009, 2010 and 2011, respectively. The "trade, hotels, restaurants, transport, storage & communication, etc" segment has shown a growth rate of 7.6%, 9.3% and 11.0% during fiscal years 2009, 2010 and 2011, respectively *(Source: RBI Review 2011)*. The restaurant sector is included within the hotel industry and has not been granted independent industry status by the Government of India *(Source: NRAI Report 2010)*.

Foreign direct investment ("FDI") and foreign institutional investment ("FII") are important drivers of economic growth in India. The FDI inflow was US$35.0 billion for fiscal year 2009, US$33.8 billion for fiscal year 2010 and US$25.9 billion for fiscal year 2011. The net FII investments in India were negative US$15.0 billion for fiscal year 2009, US$29.0 billion for fiscal year 2010 and US$29.4 billion for fiscal year 2011 *(Source: RBI Review 2011)*. The Government of India has taken a number of steps to encourage and facilitate foreign investment. Currently, FDI is allowed in various key sectors of the economy, including the manufacturing and services sectors. 100% FDI is allowed on an automatic basis in a company operating in the food services sector.

Over 17.5% of the world population resides in India *(Source: India Retail Report 2009)*. The median age of the Indian population is 25.1 years *(Source: India Retail Report 2009)*. According to the McKinsey Report 2010, the middle class segment of the Indian population comprising households earning an annual income of Rs. 200,000 to 1,000,000, is expected to grow as demonstrated in the table below:



Source: India Urbanization Econometric Model, McKinsey Report, 2010

Food Services Industry in India

Overview

The food services industry is becoming an increasingly important segment of India's economy. The size of the Indian food industry estimated at US$200 billion in the year 2006-07 and is estimated to reach US$300 billion by 2015 *(Source: Technopak Report 2009)*. The food services industry is the second largest component of discretionary spending, following the grocery stores industry *(Source: India Retail Report 2009)*. In recent years, the food services industry has emerged as one of the fastest growing industries with numerous domestic and international food chains entering the market *(Source: India Retail Report 2009).* The revenues of players operating in the restaurant industry in 2010 amounted to Rs. 430 billion with an annual growth rate of 5-6% *(Source: NRAI Report 2010)*. In spite of the recent economic slowdown, the food services industry in India is expected to remain one of the fastest growing industries in the Asia Pacific *(Source: Technopak Report 2009)*. Expansion is expected to come from domestic and international companies opening new outlets *(Source: Technopak Report 2009)*. In addition, as players continue to build strong regional brands, expansion is also likely to come from franchising outlets *(Source: Technopak Report 2009)*.

In the affluent and middle classes, while the expenditure on food (vis-à-vis other products and categories) as a percentage share of consumption expenditure has dropped, the total expenditure on food has increased across all classes of the Indian population *(Source: Technopak Report 2009)*. Food expenditure was earlier concentrated around basic food items like food grains, vegetable oils, and sugar *(Source: Technopak Report 2009)*. However, there is a shifting trend of increased spending on fruits and vegetables, eggs, meat, beverages and processed foods as a result of both increased availability and affordability *(Source: Technopak Report 2009)*.

Market Segments

The food services industry comprises two distinct market segments: the organised segment and the unorganised segment *(Source: India Retail Report 2011)*. The organised segment of the industry comprises 10.7% of the total industry, or Rs. 97.3 billion. The organized segment grew at an estimated rate of 25.6% in Fiscal Year 2011 and is expected to grow at a rate of 31.0% in Fiscal Year 2012 *(Source: India Retail Report 2011)*. The size of the unorganised segment is unknown as it comprises roadside eateries including *dhabas*, which are the most common forms of food outlets in India *(Source: Technopak Report 2009)*. Such unorganised players lack technical and accounting standardisation commonly found in the organised segment *(Source: Technopak Report 2009)*. In the last few years, there has been a shift to restaurant chains and franchise outlets which belong to the organised segment. Such segment is currently dominated by a handful of players which control over 3,000 outlets *(Source: Technopak Report 2009)*. Fine dining restaurants belong to the organised segment of the food services industry *(Source: Technopak Report 2009)*.

Set forth below is a chart describing the components of the organised sector of the Indian food industry.

	Description	**Examples**
Fine Dining Restaurants	Characterised by full service with a specific dedicated meal course, décor featuring high quality materials and highly trained staff in formal attire *(NRAI Report 2010)*.	*Olive (NRAI Report 2010)*
Casual Dining Restaurants	Characterised by moderately priced food in a causal atmosphere with table service (except in buffet style restaurants) and sometimes a full bar with separate bar staff *(NRAI Report 2010)*. Caters to the market segment between fine dining and quick service restaurants *(NRAI Report 2010)*.	*Geoffrey's* in NCR *(NRAI Report 2010)*
Bars and Lounges	Characterised by a focus on beverages, particularly alcoholic beverages. The higher-end bars with premium pricing are referred to as lounges.	*F Bar & Lounges*, *Elevate, Steel*, *Mocha*, *Den*, *Hard Rock Café*, *Sports Bar* and *TGIF (NRAI Report 2010)*
Quick Service Restaurants	Characterised by minimal table service. Some restaurants also feature takeaway and home delivery formats *(NRAI Report 2010)*.	*McDonald's*, *Nirula's*, *Domino's*, *Haldiram's*, *Bikanerwala*, *Agarwal Sweets* and *Pizza Hut (NRAI Report 2010)*
Food Courts	Typically a collection of multiple quick service restaurants with by a common seating area. A relatively new format popularised by shopping malls. Typically present in shared spaces including malls, airports, hospitals and office complexes *(NRAI Report 2010)*.	*No dominant brand*
Cafes	Comprises modern format beverage retailing chains including coffee bars, parlours and tea bars *(NRAI Report 2010)*.	*Barista Lavazza* and *Café Coffee Day (NRAI Report 2010)*
Kiosks	A relatively new format which comprises generally Chinese food, corn, savoury Indian snacks including *chaat* and ice cream kiosks *(NRAI Report 2010)*.	*Café Coffee Day* and *Nirula's (NRAI Report 2010)*

The Organised Sector

Structural Characteristics of the Organised Sector

The organised sector is characterised by accounting systems, organised supply chain with quality control and sourcing norms and multiple outlets *(Source: NRAI Report 2010)*. As a result, the organised sector requires back-end infrastructure, which in turn demands large investments of time, effort and money *(Source: NRAI Report 2010)*. Such investments account for the sector's long gestation periods *(Source: NRAI Report 2010)*.

Operational Characteristics of the Organised Sector

Some of the branded players currently operating in India are *Café Coffee Day*, *Barista* and *Sagar Ratna (Source: Technopak Report 2009)*. In addition, there are certain international branded players operating in India including *McDonald's*, *Domino's* and *Pizza Hut (Source: Technopak Report 2009)*. The competition and standards that the international brands introduced to the market have spurred domestic players to become more organised and responsive to the changing needs of customers *(Source: India Retail Report 2009)*. Certain local food chains have remained in the competitive arena following the entry of international food chains *(Source: India Retail Report 2009)*. Their success has prompted the establishment of a new generation of domestic chains including *Yo! China, Mainland China*, *Mircheez* and *Dosa Plaza (Source: India Retail Report 2009)*.

In the fast evolving food services industry, existing players are spending more resources on revamping their branding, improving efficiency and growing economies of scale in order to maintain competitiveness and increase market presence *(Source: NRAI Report 2010)*. Branding and cost efficiency is becoming increasingly important in order to maintain market presence in existing markets and expand into new markets *(Source: NRAI Report 2010)*.

Trends in the Food Services Industry and Cuisine

Increasing international food chains. During the past two decades, many international food chains have entered India as they perceived it to be a potential market with scope for expansion and growth *(Source: India Retail Report 2009)*. Certain international brands have become household names in India, including *McDonald's*, *Pizza Hut*, *Dominos*, *TGIF*, *KFC*, *Ruby Tuesday* and *Subway (Source: India Retail Report 2009)*. At the core of such international brands' success is an awareness of local tastes and habits of the Indian market *(Source: India Retail Report 2009)*.

While many international brands have already made a foray into India, a host of others are lining up to commence operations *(Source: NRAI Report 2010)*. Although multi-national companies will generally expand organically into India, some companies may also expand through acquisitions of domestic brands *(Source: NRAI Report 2010)*.

Evolving cuisine. According to the NRAI Report 2010, customers are generally satisfied with the dining options currently available *(Source: NRAI Report 2010)*. However, food companies (international and domestic) are consistently reviewing their menu offerings to better cater to the evolving tastes of the Indian market *(Source: NRAI Report 2010)*. Food companies are increasingly offering more than one cuisine in a single outlet to appeal to a wider population segment *(Source: NRAI Report 2010)*. For instance, restaurants serving Asian cuisines may combine one or more of the following cuisines: Indian, Chinese, Japanese, Thai and Vietnamese cuisines *(Source: NRAI Report 2010)*. In addition, the Indian population is increasingly seeking new cuisines, and industry players have been exploring regional cuisines, including Peshawari, Gujarati and Bengali, fusion cuisines including Chinese-style pizzas and international cuisines, including Italian, Lebanese and Mexican cuisines *(Source: NRAI Report 2010)*. In addition, international cuisines are moving toward the mid-market pricing segment rather than the top tier pricing segment traditionally found in five-star hotels serving international cuisines *(Source: NRAI Report 2010)*.

New locations. 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 *(Source: NRAI Report 2010)*. In particular, shopping malls are becoming a customary place for congregation and customer spending in shopping malls is increasing *(Source: NRAI Report 2010)*. Shopping malls tend to favour efficient formats such as kiosks and food courts, which are most suitable for fast food restaurants and casual dining *(Source: NRAI Report 2010)*. Full-service restaurants will likely remain standalone as mall developers are expected to encourage kiosks and food courts that house multiple establishments *(Source: NRAI Report 2010).*

SUMMARY OF BUSINESS

This summary highlights information contained elsewhere in this Red Herring Prospectus and may not contain all of the information that may be important to you or that you should consider before deciding to invest in our Equity Shares. You should read this entire Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 13 and 168, respectively, of this Red Herring Prospectus before making a decision to invest in our Equity Shares.

Overview

We are a fine dining operator in India, with 69 restaurants and 13 confectionaries as of February 29, 2012, featuring certain well recognised brands in the Indian restaurant industry. We focus on providing our guests an affordable fine dining experience with quality food and service in a modern ambience.

Our Promoters launched the first restaurant of our restaurant network in 1992 under the name *Only Fish*, which was later renamed *Oh! Calcutta* in 1996. In 1994, our Promoters launched the first *Mainland China* restaurant in Mumbai. Our Company was incorporated on December 1, 1999, and acquired from our Promoters, the then existing two *Mainland China* restaurants in April 2002, for a consideration of Rs. 0.75 million and Rs. 4.70 million, and one *Oh! Calcutta* restaurant in April 2005 for a consideration of Rs. 0.21 million. Over the years, we have grown our restaurant business and brands and as of February 29, 2012, our network comprised 82 restaurants and confectionaries collectively, located in 21 cities in India and one city in Bangladesh. As of February 29, 2012, we owned and operated 49 restaurants ("company owned and operated restaurants") and 13 confectionaries and had franchise arrangements for the other 20 restaurants ("franchise restaurants") which are owned by franchisees but operated by us. In Fiscal Year 2011 and the nine months ended December 31, 2011, the number of guests served at our company owned and operated restaurants was approximately 2.59 million and 2.09 million, or, on average over 7,313 and 8,127 guests each day, respectively.

Our restaurants consist of different restaurant concepts and are located across India, particularly in the western region. Our flagship brand is *Mainland China* which serves Chinese cuisine in a standalone fine dining setting. Chinese cuisine is the most popular foreign cuisine in India according to the India Retail Report 2009. As of February 29, 2012, our *Mainland China* brand encompassed 36 restaurants across India as well as one in Bangladesh. Our *Mainland China* restaurants contributed 53.27%, 57.03%, 60.28% and 61.13% to our total revenues from food and beverages in Fiscal Years 2009, 2010, 2011 and the nine months ended December 31, 2011, respectively. Our other core brand, *Oh! Calcutta*, encompassed seven restaurants across India as well as one in Bangladesh as of February 29, 2012 and features a range of cuisines from the east Indian city of Kolkata, including Bengali, Nawabi, British and Continental cuisines served in a fine dining setting. Our other restaurant brands are *Sigree*, *Flame & Grill*, *Haka*, *Just Biryani*, *KIBBEH, Kix*, *Machaan, Shack*, as well as a confectionary brand, *Sweet Bengal*.

We believe that the following four factors contribute to the quality of the food that we offer: quality fresh ingredients, modern food preparation and storage equipment, standardised recipes prepared by trained chefs, and effective quality monitoring. We purchase ingredients from suppliers selected based not only on the quality of their ingredients but also their experience and understanding of our business and requirements, particularly in relation to the challenges and complexities relating to the seasonal availability of such ingredients and related price variations. We use modern food preparation and storage equipment in order to prepare and store our food in stable temperatures which helps enhance flavours of spices and condiments while maintaining freshness and nutrition. Our chefs prepare dishes from standardised recipes to facilitate the maintenance of consistency in taste and quality. We regularly perform internal and third-party audits to monitor the standards of our food quality.

Our Founder and Promoter, Anjan Chatterjee, and his spouse, Suchhanda Chatterjee, our other Promoter, hold in aggregate, 80.92% of the outstanding Equity Shares prior to the public offering. Our Founder and Promoter, is also the Managing Director of our Company as well as the vice president of the National Restaurants Association of India ("NRAI"). In addition, we have two investors: SAIF, a private equity investor and Glix Securities, a corporate investor. For details of their shareholding, see the section "Capital Structure—History of Equity and Preference Share Capital held by SAIF and Glix Securities in our Company" on page 74 of this Red Herring Prospectus.

We increased the number of company owned and operated restaurants from 30 as of March 31, 2008 to 45 as of March 31, 2011 and further to 49 as of February 29, 2012. We increased the number of franchise restaurants from one as of March 31, 2008 to 18 as of March 31, 2011 and further to 20 as of February 29, 2012. See Management's Discussion and Analysis of Financial Conditions and Results of Operations—Significant Factors Affecting Results of Operations—Number of restaurants in operation" on page 225 of this Red Herring Prospectus. Our income from our operations increased from Rs. 518.95 million in Fiscal Year 2007 to Rs. 1,729.57 million in Fiscal Year 2011 at a CAGR of 35.11%. Our net profit after tax increased from Rs. 31.20 million in Fiscal Year 2007 to Rs. 156.28 million in Fiscal Year 2011 at a CAGR of 49.60%. Our income from our operations and net profit after tax for the nine months ended December 31, 2011 were Rs. 1,497.28 million and Rs. 153.44 million, respectively.

Competitive Strengths

We believe the following strengths have contributed to our success and will continue to be competitive advantages for us, supporting our strategy and contributing to improvements in our financial performance.

A leading portfolio of core brands including our flagship brand, Mainland China

We believe that our core brands, *Mainland China* and *Oh! Calcutta* (the "Core Brands") are well recognised fine dining brands in India. Our *Mainland China* and *Oh! Calcutta* brands have had a presence for over 17 years in an industry characterised by high brand mortality. Our Core Brands have won multiple awards in India. In 2011, our *Mainland China* restaurants won the Golden Spoon Award for the most admired food service retailer of the year for dine-in international cuisine. In 2010, 2011 and 2012 our *Mainland China* and *Oh! Calcutta* restaurants won the Times Good Food Awards in several cities for being the best Chinese and Bengali cuisine restaurants, respectively. In addition, some of our *Mainland China* restaurants and *Oh! Calcutta* restaurant in Mumbai, Bengaluru and Kolkata were listed on the Miele Guide 2010/2011 list of Asia's finest restaurants. We also currently own nine other brands, each of which we have either established and developed or acquired from our Promoters or Directors. Our Company currently owns all the interest of our Promoters and Directors in the restaurant business.

We have historically concentrated our efforts on our Core Brands, each of which we believe enjoys brand recognition in India. *Mainland China* is our flagship brand, contributing to 60.28% and 61.13% of our total revenues from food and beverages in Fiscal Year 2011 and in the nine months ended December 31, 2011, respectively. We believe that brand awareness of *Mainland China* has strengthened in the last two years partially as a result of our effective marketing efforts, such as our television advertising campaign with Pepsi Foods Private Limited ("Pepsi") both to promote new menu offerings and to build the image of our *Mainland China* brand. In addition, we have been engaged by Random House Publishers India Pvt. Ltd., the Indian arm of an international publishing house, to prepare a Chinese cookbook, the *Mainland China Cookbook.* The cookbook is currently being marketed in India and we expect it to enhance brand affinity for *Mainland China*.

The main contributor to the brand affinity of our Core Brands has been word of mouth referrals by our guests. Based on the experience in our restaurants, our quality dishes at affordable prices, the contemporary sophistication of our restaurants and the personal and attentive service of our staff, we enjoy frequent visits by many of our repeat guests. Some of our guests have devoted time to write positive reviews of our restaurants on online discussion boards and food-related web logs. The support of our guests has in turn helped us attract new guests and build a market reputation for our affordable fine dining offerings that fit into the fast-paced lifestyles of Middle Class families in India. Consequently, we have retained a strong market position and are able to expand across India in an industry that is fragmented and highly competitive. For Fiscal Year 2011 and the nine months ended December 31, 2011,, the guests served in our *Mainland China* company owned and operated restaurants were approximately 4,361 and 5,196 per day with a cover turnaround (per day) of approximately 1.55 and 1.65 times, respectively. For Fiscal Year 2011 and the nine months ended December 31, 2011, guests served in our *Oh! Calcutta* company owned and operated restaurants were approximately 677 and 701 per day with a cover turnaround (per day) of approximately 1.01 and 1.09 times, respectively.

Focus on guest needs

Our founding principle is based on the traditional Indian principle of *Atithi Devo Bhava*, or *Guest is God*. Together with our Promoters, we have amassed over 19 years of experience in catering to guest tastes and preferences in India which has provided us with knowledge of the expectations of the Indian guest. We strive to build a loyal base of guests through our quality dishes and guest-focused service. Based on our experience, we carefully design and adjust our menus to suit what we believe are the tastes and preferences of our target guests. For example, in developing and maintaining the *Mainland China* menu, certain of our personnel, including our Managing Director, travel to China from time to time to study local Chinese cuisines and subsequently, adopt the dishes that we expect will suit popular guest tastes in India. Certain of our personnel have also visited Buddhist vegetarian restaurants in China to develop a selection of vegetarian offerings to cater to the Indian vegetarian population. So as to maintain the authenticity of our offerings, we purchase certain cooking equipment and sauces imported from China by a domestic third party supplier. From time to time, we invite chefs from China to visit our restaurants to train our chefs and to introduce new items into our menus. Our innovation and adjustments assist in retaining our competitiveness, maintenance of our repeat guest base and attraction of new guests.

At our restaurants, we are guest-focused and aim to inculcate a service mindset in our staff. At the restaurant level, we train our staff at all levels, from our waiting staff to the security and valet, to be attentive to guest needs. At the corporate level, we actively manage our service standards with our strong emphasis on guest reviews and feedback, which we encourage from our guests by including a comment card with each of our bills. We require our restaurant staff to communicate any adverse comments requiring corrective action to the director of operations within 12 hours of receipt of such comments. The director of operations, together with our guest relations team, then investigates the adverse comments with an aim to respond to the guest within 24 hours. Such cases are also reported to our Managing Director. We receive all remaining comment cards on a weekly basis, which our guest relations team reviews to increase our understanding of guest needs.

To promote guest loyalty, we launched our loyalty programme, *Speciality Preferred*, in 2008, which had over 95,000 members as of February 29, 2012. Our guest relations team regularly tracks restaurant patronage by our *Speciality Preferred* members. We also offer regular promotions to our *Speciality Preferred* members to encourage interactivity aimed at building long-term relationships with such guests.

Experienced Founder and Promoter, management team and dedicated staff

Our Founder and Promoter has first-hand knowledge of and experience of working in fine dining restaurants, having obtained a diploma in hotel management in 1982 from the State Council of Engineering and Technical Education, West Bengal, and having trained as a management trainee at a leading five star hotel in India. Our Founder and Promoter brought his core values from his experiences to the operation of our restaurant network.

Similarly, our management team also has knowledge of and experience in the Indian restaurant industry, as we have recruited most of our management team from established five star hotels in India. Our management team's experience provides us with the skills required to implement our corporate practices and growth strategies. Many of our key managers have been involved in the development of our business since its inception, including those who received training with us.

To assist our management, we have a dedicated team of staff across our network of company owned and operated and franchise restaurants. Our staff is a critical link to our guests and we seek to develop skills that can enhance their work experience by providing training as well as appropriate recognition. We place strong emphasis on instilling our core values in each of our staff. When we open new restaurants, we generally transfer staff from existing restaurants to our new restaurants to facilitate the transfer of our core values to the new restaurant operations. In addition, we emphasise organic growth, having promoted a number of our staff who joined our Company as trainees to chefs or management ranks based on their performance which we believe is a motivating factor towards continued staff engagement. We have also provided restaurant managers with authority in certain matters such as regular restaurant maintenance in the interest of maintaining brand standards. Our efforts are geared towards aligning the goals of our staff with our vision of strengthening staff engagement. We also emphasise staff welfare including offering our staff regular training and skill enhancement, free meals, housing facilities, transportation to and from work and annual bonuses. In addition, we decided not to implement staff redundancy measures during the recent economic downturn which we believe has led to an increase in our staff retention rates.

Diversified business model

Each of our brands has a distinctive appeal. Although several of our brands serve broadly the same demographic profile of guests, each offers a unique dining experience. For instance, *Mainland China* offers authentic Chinese cuisine, *Oh! Calcutta* offers diverse cuisines traditionally found in the east Indian city of Kolkata and *Sigree* offers authentic Indian cuisine slow cooked over a charcoal flame. From time to time, we also introduce new brand concepts serving food in different formats, such as *Flame & Grill* which serves kebabs grilled at the table, *Machaan* which offers traditional Indian dishes and dishes for children in a tropical theme ambience and *KIBBEH* which offers Lebanese cuisine in a bar lounge format.

As of February 29, 2012, we also have eight joint brand locations divided between four combos where two branded restaurants are co-located ("Combos") and four multibrands where more than two branded restaurants are co-located ("Multibrands"), typically combining an established brand, such as Mainland China, with a newer brand. Our Combos and Multibrands provide us with operational synergies by offering a combination of our branded restaurants in one location with a common kitchen, back-of-the-house operations, management and staff. In addition, our Combos and Multibrands allow us to leverage the popularity of our Mainland China brand to promote newer brands.

In future, we may also develop additional brands to cater to different segments of the population. For example, we plan to develop an all day Italian café concept to cater to the 18 to 30 age group. In 2011, the Indian population was expected to include more than 220 million persons in the 20 - 29 age group *(Source: Population Projections for India and States 2001 – 2026, Report of the Technical Group on Population Projections constituted by the National Commission on Population, May 2006)*. This will promote further diversification of our guest base as our current brands are targeted at guests who mainly visit our restaurants for formal meals with family, colleagues and business partners. We plan to target our Italian café concept at the 18 to 30 age group, which we expect will visit our café for coffee and snacks as well as affordable informal meals.

Strategic locations

We have strategically-located restaurants across 21 cities in India and one city in Bangladesh as of February 29, 2012. Among these, our flagship *Mainland China* restaurants are located in all 22 cities in which we operate. In most cities we operate in, we implemented a modern fine dining format and modern service standards outside the five-star hotel setting that we believe has assisted us in creating a base of loyal guests. Our restaurant location portfolio consists of quality sites, located in business districts, neighbourhoods and high streets, each of which we believe has guest traffic. Our mix of locations, including both geographic spread and location type, leads to guest diversification.

Most of our restaurants, and particularly our *Mainland China* restaurants, are located in Metros and Tier I cities. The majority of our restaurants are located in western India which, according to the NRAI Report 2010, has the highest proportion of people dining out regularly. In Fiscal Year 2011 and nine months ended December 31, 2011, 39.07% and 40.67% of our total revenues from food and beverages were attributable to our restaurants in western India, respectively. As of March 31, 2007, 2008, 2009, 2010 and 2011, we had 17, 40, 52, 63, and 74 restaurants and confectionaries, in 7, 9, 11, 15 and 18 cities, respectively, in India and Bangladesh, collectively. As of February 29, 2012, we had 82 restaurants and confectionaries in 22 cities (21 cities in India and one in Bangladesh). We opened our first restaurant outside India in February 2010, a *Mainland China* franchise restaurant in Dhaka, Bangladesh. In February 2011, we opened our second restaurant outside India, an *Oh! Calcutta* franchise restaurant in Dhaka, Bangladesh. Creating this network has provided us with important practical experience on which to draw on as we explore further expansion.

We also believe that our strong presence in the Indian market positions us to capitalise on the anticipated growth in consumer spending from expected increases in the level of disposable income of guests in India. In addition, starting from the commencement of our first franchise arrangement in early 2008, we have created a framework for franchising our brands, including, *Mainland China*, *Machaan* and *Flame & Grill* through which we access certain Tier I and Tier II cities. We control the quality of our food and service in our franchise restaurants by following the franchisee owned, company operated ("FOCO") model, which allows us to control substantially all aspects of the franchise restaurant operations. Using our internally developed systems, we attract, retain and support franchisees in the Indian market.

We are continuing to expand in Metros and Tier I cities and selectively, in Tier II cities. We intend to continue to roll-out primarily company owned and operated and opportunistically, franchise operations across India and in certain international destinations.

Robust processes and scalable model

We benefit from strong processes established over the past 12 years of our Company's operations. We have incorporated the following processes into our operations strategies:

- Quality control: We place considerable emphasis on ensuring that we procure high-quality raw materials and equipment, enabling us to provide quality products to our guests. We centrally control the supplier selection process to promote consistent quality and timely delivery of raw materials to our restaurants.

- Brand standards: Our brand building and operational standards for each brand are controlled centrally to promote consistent food quality and service standards throughout our network of restaurants. We have an established framework of approved strategies and plans, uniform policies and centralised support in key areas such as operations, marketing, finance, human resources, information technology, accounting and reporting. Where we enter into franchise arrangements with partners, we retain control of most operational factors from site selection and restaurant layout to the daily operations of the restaurants.

- Operations monitoring: Our operational results are monitored using specific operational and financial Key Performance Indicators (the "KPIs") at restaurant, brand and senior management levels. We use our KPIs to check that our restaurants are operating efficiently and minimising wastage.

- Food and service audits: We conduct regular audits to check our food quality and service standards. Internal audits are aimed mainly at checking our food quality. Our corporate chef makes annual visits to restaurants in each of the 22 cities in which we operate. To further enhance our hygiene and safety controls at our restaurants, in September 2010, we recruited an additional corporate chef with 10 years of experience with inflight catering. Our corporate chefs are supported by a team of six brand chefs for certain of our key brands, two senior chefs and eight city chefs who visit our restaurants regularly. On average, such visits are made once a month to each restaurant (company owned and operated and franchise) in our network. Additional third-party anonymous audits are aimed mainly at checking our service standards in the dining areas and kitchen operations. Our anonymous 'special purpose hygiene auditors' provide our corporate office with feedback on our restaurants based on agreed standards. Any lapses are immediately made known to our corporate management and rectified.

Our process-oriented delivery model increases the institutionalisation of our standards, enabling us to have consistent brand standards across each of our brands, which we believe promotes guest satisfaction.

In addition, we incorporate the following processes into our development strategies when developing new restaurants:

- Site selection: We have developed site selection processes based on our experience enhanced by our local knowledge that enables us to evaluate multiple factors including guest traffic, sales generators, market conditions and investment costs analysis.

- New restaurant development: We follow a disciplined and systematic expansion process with respect to our new restaurants. We have dedicated internal project teams to implement our corporate guidelines in respect of the design and layout of each new restaurant and these teams are assisted by third-party architects and consultants.

Strong financial position and profitability

As of March 31, 2011 and December 31, 2011, we had Rs. 47.81 million and Rs. 80.08 million of cash and cash equivalents and secured borrowings of Rs. 138.90 million and Rs. 260.02 million, respectively. We believe that our strong financial position and capital structure will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the Indian restaurant market. In addition, we follow an "asset light model" as we lease all of the properties occupied by our company owned and operated restaurants, which allows us to optimise our capital for growth.

We have been actively expanding for the past 12 years and have a consistent track record of profitable growth. In Fiscal Years 2010 and 2011, our cash flows used in investing activities for the purchase of fixed assets of Rs. 146.43 million and Rs. 141.05 million, the majority of which was used for the development of new company owned and operated restaurants. In Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, we made profit before tax of Rs. 100.34 million, Rs. 163.88 million, Rs. 234.88 million and Rs. 224.57 million, respectively.

Business Strategy

Leverage our flagship Mainland China brand while selectively expanding into existing and new markets

We plan to leverage the brand equity enjoyed by our flagship brand, *Mainland China,* using our existing restaurant formats while selectively expanding within our existing markets and into new markets. One of the criteria we look for when identifying sites to expand our *Mainland China* brand is high consumer traffic, including sites within shopping areas, entertainment centres and office complexes, similar to our existing locations. In addition, we aim to continue to build our *Mainland China* brand and enhance our reputation in the Indian fine dining industry by employing consumer relevant and innovative marketing strategies. We plan to increasingly focus on promoting our *Mainland China* brand in India as an affordable, fine dining option for consumers.

We are also seeking to expand new restaurant formats such as Combos and Multibrands. We plan to leverage on our *Mainland China* brand name in establishing joint brand restaurants where we combine *Mainland China* with other branded restaurants. We intend to grow our Combos and Multibrands typically including a *Sigree*, *Flame & Grill* and/or a *KIBBEH* alongside a *Mainland China* restaurant, allowing us to leverage *Mainland China's* popularity to promote our other brand names. We believe these strategies, when coupled with our existing scale and brand awareness, will allow us to further consolidate our market share in the Indian fine dining business.

We target our expansion plans at meeting the growing demand for fine dining options from Middle Class segments of the Indian population. This demand is further fuelled by the increasing number of nuclear families and the fast-paced lifestyles of Middle Class working people. Such guests were first apparent in the Metros and Tier I cities and expansion in such markets has been a priority for us. When we expand, we seek to emulate the leadership position we have in the Metros and Tier I cities by addressing the needs of the growing and wealthier Middle Class segments that demand a variety of consistent and high quality fine dining experiences at affordable prices. As of February 29, 2012, over 70% of our company owned and operated and franchise restaurants in India were located in the Metros and Tier I cities, and we plan to continue to seek appropriate new locations in such cities, especially in high-traffic cities. We do not view the Metros and Tier I as saturated, and we expect the increasing population of the middle-class coupled with the increasing proportion of the population living in urban centres to lead to an increase in dining out as a lifestyle choice (Source: NRAI Report 2010 and India Retail Report 2009).

We also plan to further expand selectively into Tier II cities through new company owned and operated restaurants or opportunistically, through franchise restaurants.

Developing new restaurant concepts focused on new demographic segments

As we grow, we plan to maintain a tight basket of brands with a focus on our *Mainland China* brand, while targeting a few new market segments in a measured and disciplined way subject to market conditions. In addition, in order to address differences in guests' spending patterns, tastes and dining preferences in various regions throughout India, our business development team may introduce new products and brands to adapt to dining trends, shifts in guest spending and tastes and nutrition preferences of our targeted guest groups. For example, in May 2010, we introduced a bar lounge serving Lebanese cuisine under the *KIBBEH* brand to cater to the demand from Indian consumers for newer niche cuisine (*Source: NRAI Report 2010*). We are also planning to develop additional brands to cater to different segments of the population in the future. For example, we plan to develop an all day Italian café concept to cater to the 18 to 30 age group. In 2011, the Indian population is expected to include approximately 220 million persons in the 20 – 29 age group *(Source: Population Projections for India and States 2001 – 2026 Report of the Technical Group on Population Projections constituted by the National Commission on Population May, 2006).*

Continuing to expand mainly through ownership and selectively through franchising

A vital part of our value is our portfolio comprising some of the well known fine dining brands in India. We have built and maintained our portfolio by focusing on quality food and guest-focused service across our network of restaurants. In order to maintain and increase our growth, we seek to expand mainly through ownership and opportunistically through franchising on a FOCO model. We follow strict criteria for choosing partners in FOCO restaurants and have been using our internally developed systems to attract, retain and support franchisees in the Indian market. Our FOCO model allows us to control critical aspects of our business including food quality and guest attention. It also facilitates the appropriate implementation of the experience we and our Promoters have gained over the past 18 years in the fine dining restaurant industry in India. As of February 29, 2012, we had 69 restaurants, comprising 49 company owned and operated restaurants and 20 FOCO restaurants. Our FOCO model allows us to enter and operate in markets which we may not otherwise exploit, particularly in Tier II cities, while ensuring consistent food quality and service across our network of restaurants.

Continue improving profitability and economies of scale

We seek to improve our profitability and economies of scale through a steady focus on the following areas:

- Central manufacturing of non-perishable inputs: We plan to increase our gross margins by evaluating the use of supply-outsourcing opportunities that increase productivity, such as through the use of regional commissaries operated by us for certain company owned and operated restaurant brands which prepare bulk items such as soups and sauces for our company owned and operated restaurants. This could also lead to a decrease in the required kitchen space, thereby reducing lease costs for our new restaurants and increasing the table space at our existing company owned and operated restaurants.

- Joint brand locations: We have developed eight joint brand locations (Combos and Multibrands) in six cities in India as at February 29, 2012 and aim to expand the number of locations. In light of the resources shared between the restaurants comprising Combos and Multibrands, such locations may provide higher returns on investment, a higher percentage of space for guest seating, reduced labour costs for each restaurant sharing the location and competitive lease negotiations due to the increased size of total space.

- Expanding presence in existing cities: When we enter a new geographic market, our goal is to open multiple restaurants to achieve meaningful market share, local recognition of our key brands, critical mass and economies of scale, while at the same time ensuring consistency in the quality of our foods and services. Once we achieve adequate scale of operations in a particular city, we seek to leverage our brand to expand into nearby markets. In the future, we may also expand through strategic alliances, joint ventures or acquisitions. In addition, we intend to set up a catering college at Bidhan Nagar, Kolkata, on land which has been leased to us by the Government of the State of West Bengal. In December 2010, we entered into a construction contract for the construction of the catering college and commenced construction of the college building. We have completed part of the construction of the college building and plan to commence operations in August 2012. We believe the catering college will facilitate backward integration by providing us with a source for our manpower needs as we expand our company owned and operated restaurants.

- Optimise logistics: As our restaurant network expands and we develop more restaurants in existing and new geographic markets, we plan to optimise our logistics in order to streamline our supply chain, increase inventory turnover and reduce waste. For example, we intend to expand our supplier base to include a greater number of large suppliers as we believe using larger suppliers will lead to economies of scale and streamlined quality assurance mechanisms. In cities and regions where we have a sufficient number of company owned and operated restaurants, we also intend to purchase certain raw materials in bulk, which we will store in storehouses.

- Revenue sharing leases: As we expand our restaurant network, we plan to manage our expenses more efficiently by entering into a greater number of revenue sharing leases. Such leases typically have a minimum guarantee with an additional portion on a variable rental basis tied to percentage of sales. As of February 29, 2012, 16 of the leases relating to our company owned and operated restaurants and five of the leases relating to our confectionaries, were on a variable rental basis, some of which had a minimum guarantee, and we intend to enter into a greater number of such leases in the future.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated audited financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010, 2011 and the nine months period ended December 31, 2011. These financials statements have been prepared in accordance with the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" on page 168 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated audited financial statements, the notes thereto and the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 224 and 168, respectively of this Red Herring Prospectus.

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Assets and Liabilities of the Company as at each period / year end read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

Particulars	**As at**					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Fixed Assets:						
Gross Block	1,183.33	1,035.03	897.38	730.15	399.53	203.04
Less: Depreciation / Amortisation / Impairment	489.25	409.67	281.63	189.46	105.09	60.99
Net Block	694.08	625.36	615.75	540.69	294.44	142.05
Capital Work in Progress	198.83	101.86	98.93	137.87	164.51	88.93
Total - A	**892.91**	**727.22**	**714.68**	**678.56**	**458.95**	**230.98**
1nvestments - B	**202.98**	**250.73**	**55.48**	**0.02**	**176.57**	**-**
Deferred Tax Asset (Net) - C	**37.27**	**25.63**	**5.34**	**2.27**	**-**	**-**
Current Assets, Loans and Advances						
1nventories	23.01	19.76	12.47	11.08	8.53	6.87
Sundry Debtors	98.56	55.90	21.12	13.59	6.26	3.85
Cash and Bank Balances	80.08	47.81	38.32	9.01	17.02	9.63
Loans and Advances	436.27	346.17	294.06	272.11	263.28	164.21
Total - D	**637.92**	**469.64**	**365.97**	**305.79**	**295.09**	**184.56**
Total Assets - E = (A+B+C+D)	**1,771.08**	**1,473.22**	**1,141.47**	**986.64**	**930.61**	**415.54**
Liabilities and Provisions						
Secured Loans	260.02	138.90	179.22	182.13	225.83	188.53
Unsecured Loans	55.82	58.67	57.58	59.62	56.53	50.00
Current Liabilities and Provisions	328.82	302.67	197.97	190.05	154.01	80.70
Total - F	**644.66**	**500.24**	**434.77**	**431.80**	**436.37**	**319.23**
Deferred Tax Liability (Net) - G	**-**	**-**	**-**	**-**	**2.48**	**4.54**
Total Liabilities - H = (F + G)	**644.66**	**500.24**	**434.77**	**431.80**	**438.85**	**323.77**
Net Worth - (E - H)	**1,126.42**	**972.98**	**706.70**	**554.84**	**491.76**	**91.77**
Represented by						
Share Capital (Including Preference Share Capital)	352.18	349.36	17.08	17.08	17.08	15.00
Share Application Money Pending Allotment	-	-	40.00	-	-	-
Warrants	-	-	-	-	1.67	-
Reserves and Surplus	774.24	623.62	649.62	537.76	473.01	76.77
Net Worth	**1,126.42**	**972.98**	**706.70**	**554.84**	**491.76**	**91.77**

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 4) are an integral part of this statement.

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

Profits of the Company for each period / year, read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Income:						
Income from Operations	1,497.28	1,731.63	1,288.05	1,156.12	833.28	518.95
Other income	23.83	19.01	9.52	10.03	8.56	3.50
Total	**1,521.11**	**1,750.64**	**1,297.57**	**1,166.15**	**841.84**	**522.45**
Expenditure:						
Materials (Food & Beverage)	390.73	446.45	364.63	337.20	235.58	142.64
Employee Remuneration	313.42	330.39	263.56	230.53	185.27	133.43
Operation, Establishment and Selling Expenses	480.17	573.26	395.50	391.32	286.56	167.21
Depreciation/Amortisation/Impairment	91.29	143.03	114.39	69.35	37.55	21.06
Finance Cost	25.81	16.71	17.24	19.22	17.03	7.74
Total	**1,301.42**	**1,509.84**	**1,155.32**	**1,047.62**	**761.99**	**472.08**
Net Profit before Taxation	**219.69**	**240.80**	**142.25**	**118.53**	**79.85**	**50.37**
Provision for Taxation	69.51	80.57	45.70	43.50	29.44	16.16
Net Profit after Taxation (as per Audited Accounts)	**150.18**	**160.23**	**96.55**	**75.03**	**50.41**	**34.21**
Restatement Adjustments (Refer Note 2 of Annexure 4)	**3.26**	**(3.95)**	**15.31**	**(11.95)**	**(5.82)**	**(3.01)**
Adjusted Profits as restated	**153.44**	**156.28**	**111.86**	**63.08**	**44.59**	**31.20**
Accumulated Profits brought forward	452.58	296.30	184.44	121.36	76.77	45.57
Balance carried to Summary Statement of Assets and Liabilities	**606.02**	**452.58**	**296.30**	**184.44**	**121.36**	**76.77**

The accompanying summary of significant accounting policies and notes to accounts (Annexure- 4) are an integral part of this statement.

RESTATED SUMMARY STATEMENT OF CASH FLOWS

Cash Flows of the Company for each period / year, read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

PARTICULARS	For the period /year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
A. Cash flows from Operating Activities						
Profit after Tax (as restated)	153.44	156.28	111.86	63.08	44.59	31.20
Add: Provision for tax (as restated)	71.13	78.60	52.02	37.26	27.49	14.96
Profit before tax (as restated)	224.57	234.88	163.88	100.34	72.08	46.16
Adjustments for:						
Depreciation / Amortisation / Impairment	91.29	127.31	95.64	85.10	46.01	26.55
Provision for doubtful debts	1.00	-	-	-	-	-
Provision for doubtful Advances	0.19	1.33	-	-	-	-
Loss on sale of fixed assets	0.16	0.86	6.43	3.72	1.64	0.16
Profit on sale of Fixed Assets	-	(0.19)	-	(0.10)	-	(0.07)
Profit on sale of Investments	(0.36)	-	-	-	-	-
Loss on sale of Investments	0.01	-	-	-	-	-
Exchange (Gain) / Loss	(1.10)	5.81	(1.33)	-	-	-
Interest paid	20.23	13.21	14.27	18.34	16.03	7.57
Interest received	(3.61)	(4.55)	(3.69)	(4.01)	(1.95)	(1.59)
Sundry Balance written off	-	1.26	0.65	0.94	-	-
Sundry Balance written back	(3.36)	(2.33)	(0.03)	(0.64)	(0.97)	(0.82)
Dividend	(13.89)	(11.36)	(0.66)	(3.93)	(3.86)	-
Fixed assets written off	-	-	8.26	-	-	-
Operating Profit before working capital changes	**315.13**	**366.23**	**283.42**	**199.76**	**128.98**	**77.96**
Adjustments for:						
Inventories	(3.26)	(7.29)	(1.39)	(2.55)	(1.65)	(3.11)
Trade and other receivables	(132.83)	(95.58)	(26.89)	(15.29)	(101.90)	(75.38)
Trade payables and provisions	18.33	104.54	25.53	23.50	70.87	12.93
Cash generated from operations	**197.37**	**367.90**	**280.67**	**205.42**	**96.30**	**12.40**
Direct taxes paid	(71.59)	(90.42)	(75.92)	(30.63)	(25.73)	(14.04)
Net Cash generated from / (used in) operating activities	125.78	277.48	204.75	174.79	70.57	(1.64)
B. Cash flows from Investing Activities						
Purchase of fixed assets	(259.36)	(141.05)	(146.43)	(310.44)	(275.68)	(140.61)
Sale of fixed assets	2.21	0.55	-	2.10	0.05	0.32
Purchase of Investments	(731.13)	(195.25)	(55.46)	(0.01)	(176.57)	-
Sale of Investments	779.23	-	-	176.57	-	-
Interest received	3.61	4.55	3.69	4.01	1.95	1.59
Dividend received from other investments	13.89	11.36	0.66	3.93	3.86	-
Net cash used in Investing Activities	**(191.55)**	**(319.84)**	**(197.54)**	**(123.84)**	**(446.39)**	**(138.70)**
C. Cash flows from Financing Activities						
Issue of Compulsorily Convertible Preference Shares (CCPS)	-	0.91	-	-	2.08	-

PARTICULARS	For the period /year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Issue of Warrants	-	-	-	-	1.67	-
Securities Premium received on issue of CCPS & Warrants	-	109.09	-	-	351.64	-
Share Application money received	-	-	40.00	-	-	-
Secured Loans taken	178.40	29.36	36.86	24.95	124.18	182.59
Secured loans repaid	(57.28)	(69.68)	(39.77)	(68.66)	(86.87)	(64.05)
Unsecured Loans taken	-	1.25	-	9.18	44.24	42.38
Unsecured Loans repaid	(2.85)	(0.16)	(2.05)	(6.09)	(37.70)	(9.02)
Interest Paid	(20.23)	(13.21)	(14.27)	(18.34)	(16.03)	(7.57)
Exchange Gain / (Loss)	-	(5.71)	1.33	-	-	-
Net cash generated from / (used in) Financing Activities	**98.04**	**51.85**	**22.10**	**(58.96)**	**383.21**	**144.33**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C) = (D)	**32.27**	**9.49**	**29.31**	**(8.01)**	**7.39**	**3.99**
Cash and cash equivalents at beginning of the period / year (E)	**47.81**	**38.32**	**9.01**	**17.02**	**9.63**	**5.64**
Cash and cash equivalents at end of the period / year (D) +(E)	**80.08**	**47.81**	**38.32**	**9.01**	**17.02**	**9.63**
Components of Cash and Cash Equivalents						
Cash in Hand	8.28	2.12	0.36	0.22	1.48	1.79
Balances with Scheduled Banks						
On Current Accounts	10.21	11.34	6.00	6.38	13.91	7.11
On Fixed Deposit Account	61.59	34.35	31.96	2.41	1.63	0.73
	80.08	47.81	38.32	9.01	17.02	9.63

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 4) are an integral part of this statement.

THE ISSUE

Issue of Equity Shares	11,739,415 Equity Shares
of which	
A) QIB portion[(1) (2)]	Not more than 5,869,707 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	205,440 Equity Shares
Balance for all QIBs including Mutual Funds	5,664,267 Equity Shares
B) Non-Institutional Portion[(1)]	Not less than 1,760,912 Equity Shares
C) Retail Portion[(1)]	Not less than 4,108,796 Equity Shares
Equity Shares outstanding prior to the Issue	35,218,242 Equity Shares[(3)]
Equity Shares outstanding after the Issue	46,957,657 Equity Shares
Use of Net Proceeds	See the section "Objects of the Issue" on page 80 of this Red Herring Prospectus for information about the use of the Net Proceeds.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) *Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.*

(2) *Our Company may, in consultation with the BRLM, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" on page 281 of this Red Herring Prospectus.*

(3) *On November 21, 2011, 4,977,500 Equity Shares were issued and allotted to SAIF upon conversion of 4,695,755 Preference Shares and 1,710,000 Equity Shares were issued and allotted to Glix Securities upon conversion of 1,710,000 Preference Shares. As on the date of this Red Herring Prospectus, there are no further securities outstanding that are convertible into Equity Shares of our Company or any other right which would entitle any person any option to receive Equity Shares after this Issue. For further details see section "Capital Structure" on page 70 of this Red Herring Prospectus. Also see section, "History and Certain Corporate Matters – Shareholders' Agreements" on page 140 of this Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was incorporated as Speciality Restaurants Private Limited on December 1, 1999 as a private limited company under the Companies Act. The name of our Company was changed to Mainland Restaurants Private Limited on May 7, 2003 and a fresh certificate of incorporation dated May 8, 2003 was issued by the Registrar of Companies, West Bengal. Subsequently the name of our Company was changed again to Speciality Restaurants Private Limited and a fresh certificate of incorporation dated January 1, 2004 was issued. Consequent upon the conversion of our Company to a public limited company, the name of our Company was changed to Speciality Restaurants Limited and a fresh certificate of incorporation dated February 10, 2011 was issued by the Registrar of Companies, West Bengal.

Registered Office of our Company

Uniworth House,
3A, Gurusaday Road
Kolkata 700 019
Tel: (91 33) 2283 7964
Fax: (91 33) 2280 9282
CIN: U55101WB1999PLC090672
Website: www.speciality.co.in

Corporate Office of our Company

B/25, 4th Floor
Morya Landmark I
Veera Industrial Estate
Off New Link Road
Andheri (West)
Mumbai 400 053
Tel: (91 22) 3341 6700
Fax: (91 22) 3341 6878

Address of the RoC

Our Company is registered with the RoC, Kolkata, situated at Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4 A. J. C. Bose Road, Kolkata 700 020.

Our Board of Directors

Our Board of Directors consists of:

Name of the Director	Age (in years)	Designation	DIN	Address
Anjan Chatterjee	53	Managing Director, (Promoter Director)	00200443	83/84, Oxford Towers, Oshiwara, Andheri (West), Mumbai 400 053
Suchhanda Chatterjee	46	Whole-time Director, (Promoter Director)	00226893	83/84, Oxford Towers, Oshiwara, Andheri (West), Mumbai 400 053
Indranil Ananda Chatterjee	52	Whole-time Director	00200577	T/2, 201-A, Vastu Towers, Evershine Nagar, Malad (West), Mumbai 400 064
Susim Mukul Datta	75	Chairman and non-executive, Independent Director	00032812	104 B, Bakhtawar, Lower Colaba Road, Opp. Colaba Post Office, Colaba, Mumbai 400 005
Tara Sankar Bhattacharya	64	Non-executive, Independent Director	00157305	Flat 8E, B-1, Building Harbour Heights, N. A. Sawant Road, Colaba, Mumbai 400 005
Jyotin Mehta	54	Non-executive, Independent Director	00033518	Y/804-805, Golden Rays, Shastri Nagar, Andheri (W), Mumbai 400 053
Dushyant Rajnikant Mehta	56	Non-executive, Independent Director	00126977	Sumer Trinity Tower, Flat No. 2501, “A”, Building No. 2, New Prabhadevi Road, Prabhadevi, Mumbai 400 025
Vishal Satinder Sood	40	Non-executive, Non-Independent and Nominee Director	01780814	B-902, Central Park I, Golf Course Road, Sector 42, Gurgaon 122 002

For further details of our Directors, see the section “Our Management” on page 142 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

V. S. Satyamoorthy is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

V. S. Satyamoorthy
Speciality Restaurants Limited
B/25, 4th Floor
Morya Landmark I
Veera Industrial Estate
Off New Link Road
Andheri (West)
Mumbai 400 053
Tel: (91 22) 3341 6700
Fax: (91 22) 3341 6878
Email: investor@speciality.co.in

Investors can contact our Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund orders. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Book Running Lead Manager

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2284 0492
E-mail: speciality.ipo@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

For all Issue related queries and for referral of complaints, investors may also write to the BRLM. All complaints, queries or comments received by SEBI shall be forwarded to the BRLM, who shall respond to the same.

Syndicate Member

Kotak Securities Limited
3rd Floor, Nirlon House
Dr. Annie Besant Road
Worli
Mumbai 400 025
Tel: (91 22) 6652 9191
Fax: (91 22) 6661 7041
Contact Person: Sanjeeb Kumar Das
E-mail: sanjeeb.das@kotak.com
Website : www.kotak.com
SEBI Registration Number: BSE: INB010808153
NSE: INB230808130

Legal Advisors

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the BRLM

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage
127, M. G. Road
Mumbai 400 001
Tel: (91 22) 6613 6900
Fax: (91 22) 6613 6901

International Legal Counsel to the BRLM

White & Case Pte. Ltd.
50 Raffles Place #30-00
Singapore Land Tower
Singapore 048 623
Tel: (65) 6225 6000
Fax: (65) 6225 6009

Auditors to our Company

Deloitte Haskins & Sells
12, Dr. Annie Besant Road
Opposite Shiv Sagar Estate, Worli
Mumbai 400 018
Tel: (91 22) 6667 9113
Fax: (91 22) 6667 9100
Email: ppardiwalla@deloitte.com
Membership No. of P. B. Pardiwalla (Partner): 40005
Firm Registration No.: 117366W

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel: (91 22) 2596 7878
Fax: (91 22) 2596 0329
E-mail: speciality.ipo@linkintime.co.in
Investor Grievance E-mail: speciality.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Sanjog Sud
SEBI Registration No.: INR000004058

Bankers to the Issue and Escrow Collection Banks

Axis Bank Limited
Plot No. 32, Matharu Arcade
Subhash Road, Behind Garware
Vile Parle (East)
Mumbai 400 057
Contact Person: Youvraj Shirmal
Tel: (91 22) 2684 9563
Fax: (91 22) 2684 9560
Email: youvraj.shrimal@axisbank.com
Website: www.axisbank.com

HDFC Bank Limited
FIG – OPS Department
Lodha, I Think Techno Campus
O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai 400 042
Contact Person: Uday Dixit
Tel: (91 22) 3075 2928
Fax: (91 22) 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park
128, CST Road, Kalina
Santa Cruz (East)
Mumbai 400 098
Contact Person: Amit Kumar
Tel: (91 22) 6759 5336
Fax: (91 22) 6759 5334
Email: Amit.kr@kotak.com, CMSIPO@kotak.com
Website: www.kotak.com

Refund Bank

Kotak Mahindra Bank Limited
5th Floor, Dani Corporate Park
128, CST Road, Kalina
Santa Cruz (East)
Mumbai 400 098
Contact Person: Amit Kumar
Tel: (91 22) 6759 5336
Fax: (91 22) 6759 5334
Email: Amit.kr@kotak.com, CMSIPO@kotak.com
Website: www.kotak.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on www.sebi.gov.in/pmd/scsb.pdf. For details on Designated Branches of SCSBs collecting the Bid cum Application Form used by the Bidders applying through the ASBA process, please refer to the above mentioned link.

Bankers to our Company

Kotak Mahindra Bank Limited
Dani Corporate Park
158, C.S.T. Road
Kalina
Santacruz (East)
Mumbai 400 098
Contact Person: Anshul Shah
Tel: (91 22) 6759 5000

State Bank of India
Industrial Finance Branch, Andheri
Natraj, 194, Sir M.V. Road
W.E. Highway-Metro Junction
Andheri (East)
Mumbai 400 069
Contact Person: Subrato Sengupta
Tel: (91 22) 2681 9700/ 2682 3370

Fax: (91 22) 6759 5010
Email: anshul.shah@kotak.com
Website: www.kotak.com

Fax: (91 22) 26831648
Email: sbi.04732@sbi.co.in
Website: www.statebankofindia.com

HDFC Bank Limited
Trade World
'A' Wing, 2nd Floor
Kamla Mills Compound
Senapati Bapat Marg
Lower Parel (West)
Mumbai- 400 013
Contact Person: Adwait S Atre
Tel: (91 22) 2498 8484
Fax: (91 22) 2496 0773
Email: adwaits.atre@hdfcbank.com
Website: www.hdfcbank.com

Standard Chartered Bank
Ground Floor, Standard Chartered Tower
201/B1 Western Express Highway
Goregaon (East)
Mumbai 400 063
Contact Person: Pankaj Mangal
Tel: (91 22) 6737 4098
Fax: (91 22) 6737 3185
Email: Pankaj.mangal@sc.com
Website: www.standardchartered.co.in

Monitoring Agency

As per Regulation 16 of the SEBI Regulations as size of this issue is less than Rs. 5,000 million there is no requirement for appointment of a monitoring agency.

Inter Se Allocation of Responsibilities

The following table sets forth the *inter se* allocation of responsibilities for various activities for the Issue:

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities	Kotak	Kotak
2.	Drafting and approval of all statutory advertisements	Kotak	Kotak
3.	Due diligence of our Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing.	Kotak	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertising, brochures, etc.	Kotak	Kotak
5.	Appointment of Bankers to the Issue, Registrar to the Issue and other intermediaries including, printers, advertising agency	Kotak	Kotak
6.	Marketing and road show presentation	Kotak	Kotak
7.	Non-institutional and Retail marketing of the Issue, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy; • Finalising centre for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalising collection centres.	Kotak	Kotak
8.	Institutional marketing of the Issue, which will cover, *inter alia*: • Finalising the list and division of investors for one to one meetings,	Kotak	Kotak

Sr. No.	Activities	Responsibility	Co-ordinator
	institutional allocation		
9.	Pricing, managing the book and allocation to QIB Bidders	Kotak	Kotak
10.	Co-ordination with the Stock Exchanges	Kotak	Kotak
11.	Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Issue, the Bankers to the Issue, the bank handling refund business and SCSBs. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with our Company.	Kotak	Kotak

Credit Rating

As the Issue is of equity shares, a credit rating is not required.

IPO Grading

This Issue has been graded by CRISIL as 4, indicating above average fundamentals relative to other listed securities in India vide their letter dated March 23, 2012. The IPO grading is assigned on a five point scale from 1 to 5 with an IPO grade 5 indicating strong fundamentals and IPO grade 1 indicating poor fundamentals. The report of CRISIL in respect of the IPO grading of this Issue is annexed to this Red Herring Prospectus.

Experts

Except for the report of CRISIL in respect of the IPO Grading of the Issue (a copy of which is annexed to this Red Herring Prospectus), furnishing the rationale for its grading and the Auditors Report on the restated audited financial statements and the statement of tax benefits on pages 168 and 94 of this Red Herring Prospectus, respectively, our Company has not obtained any expert opinions.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors, have given their consent as experts under Section 58 of the Companies Act, to the inclusion of the Auditors' Report and statement of tax benefits in the form and in the context it appears in this Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of this Red Herring Prospectus with the RoC.

CRISIL, the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and in the context it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**May 16, 2012**(1)
BID/ISSUE CLOSES ON	**May 18, 2012**

(1) *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.*

Also see the section "Issue Structure—Bid/ Issue Programme" on page 279 of this Red Herring Prospectus

An indicative timetable in respect of this Issue is set out below:

Event	Indicative Date
Bid/ Issue Closing Date	May 18, 2012
Finalization of basis of allotment with Stock Exchanges	On or about May 28, 2012
Initiation of refunds	On or about May 30, 2012
Credit of Equity Shares to investors' demat accounts	On or about May 31, 2012
Commencement of trading	On or about June 1, 2012

The above timetable is indicative and does not constitute any obligation on the Company or the BRLM. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by the Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the BRLM;
3. the Syndicate Member who is an intermediary registered with SEBI or registered as broker with BSE/NSE and eligible to act as an Underwriter. The Syndicate Member is appointed by the BRLM;
4. the SCSBs;
5. the Escrow Collection Bank(s); and
6. the Registrar to the Issue.

This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI Regulations, and will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

QIB Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. For details, see the section "Terms of the Issue" on page 274 of this Red Herring Prospectus.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Illustration of the Book Building Process and Price discovery process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue. This *excludes Bidding by Anchor Investors*.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 equity shares at Rs. 24 per equity share while another has bid for 1,500 equity shares at Rs. 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which a company is able to offer the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. A company in consultation with the book running lead manager will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (see "Who Can Bid" in the section "Issue Procedure" on page 281 of this Red Herring Prospectus);

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the section "Issue Procedure" on page 281 of this Red Herring Prospectus);

- Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Red Herring Prospectus and in the Bid Cum Application Form, respectively;

- Bids by QIBs (excluding Anchor Investors) and Non-Institutional Bidders shall be submitted only through the ASBA process;

- Ensure the correctness of demographic details given in the Bid cum Application Form, with the details recorded with your Depository Participants; and

- Bids by ASBA Bidders will have to be admitted to the Designated Branches, except for ASBA Bids in the Specified Cities. In case of the Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the Bid cum Application Form to the SCSB or the Syndicate, as the case may be, to ensure that the Bid is not rejected.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered and sold in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM will be responsible for bringing in the amount devolved in the event that its Syndicate Member does not fulfil its underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC)

Name and Address of the Underwriter	Indicative number of Equity Shares to be underwritten	Amount underwritten (In Rs. million)
Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar 229 Nariman Point Mumbai 400 021	[●]	[●]
Kotak Securities Limited 1st Floor, Nirlon House Dr. Annie Besant Road Worli, Mumbai 400 025	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after determination of the Issue Price and actual Allotment of the Equity Shares.

In the opinion of the Board of Directors (based on the certificates given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Board of Directors shall authorise the execution and delivery of the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the table above, the BRLM and the Syndicate Member shall be responsible for ensuring payment with respect to the Equity Shares allotted to the investors procured by them.

The underwriting arrangements mentioned above shall not apply to the subscriptions by ASBA Bidders in the Issue.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Red Herring Prospectus before and after the proposed Issue is set forth below:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	51,000,000 Equity Shares	510,000,000	
	7,000,000 Preference Shares	70,000,000	
	Total	**580,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	35,218,242 Equity Shares(1)	352,182,420	
C	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	11,739,415 Equity Shares	117,394,150	[●]
E	**EQUITY CAPITAL AFTER THE ISSUE**		
	46,957,657 Equity Shares(1)	469,576,570	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue(1)	166,542,391	
	After the Issue	[●]	

(1) On November 21, 2011, 4,977,500 Equity Shares were issued and allotted to SAIF upon conversion of 4,695,755 Preference Shares and 1,710,000 Equity Shares were issued and allotted to Glix Securities upon conversion of 1,710,000 Preference Shares. As on the date of this Red Herring Prospectus, there are no further securities outstanding that are convertible into Equity Shares of our Company or any other right which would entitle any person any option to receive Equity Shares after this Issue. Also see section "History and Certain Corporate Matters – Shareholders' Agreements" on page 140 of this Red Herring Prospectus.

Changes in the Authorised Share Capital

1. The initial authorised share capital of Rs. 1,000,000 divided into 100,000 Equity Shares of Rs. 10 each was increased to Rs. 5,000,000 divided into 500,000 Equity Shares of Rs. 10 each, pursuant to resolution of shareholders passed at the EGM held on March 24, 2003.

2. The authorized share capital of Rs. 5,000,000 divided into 500,000 Equity Shares of Rs. 10 each was increased to Rs. 15,000,000 divided into 1,500,000 Equity Shares of Rs. 10 each, pursuant to resolution of shareholders passed at the EGM held on March 21, 2005.

3. The authorised share capital of Rs. 15,000,000 divided into 1,500,000 Equity Shares of Rs. 10 each was increased to Rs. 22,500,000 divided into 1,875,000 Equity Shares of Rs. 10 each and 375,000 Preference Shares of Rs. 10 each, pursuant to resolution of shareholders passed at the EGM held on December 5, 2007.

4. The authorised share capital of Rs. 22,500,000 divided into 1,875,000 Equity Shares of Rs. 10 each and 375,000 Preference Shares of Rs. 10 each was increased to Rs. 31,500,000 divided into 2,325,000 Equity Shares of Rs. 10 each and 825,000 Preference Shares of Rs. 10 each, pursuant to resolution of shareholders passed at the EGM held on February 18, 2009.

5. The authorised share capital of Rs. 31,500,000 divided into 2,325,000 Equity Shares of Rs. 10 each and 825,000 Preference Shares of Rs. 10 each was increased to Rs. 580,000,000 divided into 51,000,000 Equity Shares of Rs. 10 each and 7,000,000 Preference Shares of Rs. 10 each, pursuant to resolution of shareholders passed at the EGM held on February 4, 2011.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The following is the history of the equity share capital and securities premium account of our Company:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue price (Rs.)	Consideration (cash, other than cash etc)	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative securities premium (Rs.)
December 1, 1999	20	10	10	Cash	20	200	Nil
March 30, 2000	99,980	10	10	Cash	100,000	1,000,000	Nil
August 11, 2003	400,000	10	10	Cash	500,000	5,000,000	Nil
March 28, 2005	1,000,000	10	-	Bonus issue in the ratio of 1:2	1,500,000	15,000,000	Nil
February 4, 2011	1,060	10	-	NA(1)	1,501,060	15,010,600	Nil
February 4, 2011	558	10	-	NA(1)	1,501,618	15,016,180	Nil
March 2, 2011	27,029,124	10	-	Bonus issue in the ratio of 1:18	28,530,742	285,307,420	Nil
November 21, 2011	6,687,500	10	-	NA(2)	35,218,242	352,182,420	Nil

(1) *Our Company allotted 1,060 Equity Shares to SAIF and 558 Equity Shares to Glix Securities pursuant to conversion of 1,000 Preference Shares held by SAIF and 558 Preference Shares held by Glix Securities, respectively.*

(2) *On November 21, 2011, 4,977,500 Equity Shares were issued and allotted to SAIF upon conversion of 4,695,755 Preference Shares and 1,710,000 Equity Shares were issued and allotted to Glix Securities upon conversion of 1,710,000 Preference Shares.*

(b) The following is the history of the preference share capital and securities premium account of our Company:

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Total issue/ acquisition price (Rs.)	Consideration (cash, other than cash etc)	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (Rs.)	Cumulative securities premium (Rs.)
December 27, 2007	208,076	10	355,393,781(1)	Cash	208,076	2,080,760	351,643,781(1)
May 4, 2010	90,558	10	150,000,270	Cash	298,634	2,986,340(2)	500,738,471
February 4, 2011	(1,558)(3)	10	NA	NA	297,076	2,970,760	500,737,871
February 9, 2011	40,069 (4)	10	-	Bonus issue of Preference Shares in the ratio of 10,000:1,935	337,145	3,371,450	500,337,181
March 2, 2011	6,068,610	10	-	Bonus issue of Preference Shares in the ratio of 1:18	6,405,755	64,057,550	439,651,081
November 21, 2011	(6,405,755) (5)	10	NA	NA	Nil	Nil	166,542,391(5)

(1) *Rs. 355,393,781 was received towards allotment of 208,076 Preference Shares of Rs. 10 each and 166,924 warrants (convertible into Preference Shares) of Rs. 10 each and Rs. 351,643,781 was transferred to securities premium account. Subsequently, on February 19, 2009, 166,924 warrants were cancelled and the subscription amount thereon was forfeited and transferred to capital reserve account.*

(2) *The Preference Shares were made fully paid-up by Glix Securities on August 12, 2010.*

(3) On February 4, 2011 our Company allotted 1,060 Equity Shares to SAIF and 558 Equity Shares to Glix Securities pursuant to conversion of 1,000 Preference Shares held by SAIF and 558 Preference Shares held by Glix Securities.

(4) Glix Securities through its letter dated February 4, 2011 has waived its entitlement to receive Preference Shares pursuant to bonus issue of Preference Shares.

(5) On November 21, 2011, our Company allotted 4,977,500 Equity Shares to SAIF and 1,710,000 Equity Shares to Glix Securities pursuant to conversion of 4,695,755 Preference Shares held by SAIF and 1,710,000 Preference Shares held by Glix Securities. As on the date of this Red Herring Prospectus, there are no further securities outstanding that are convertible into Equity Shares of our Company or any other right which would entitle any person any option to receive Equity Shares after this Issue.

(c) Issue of Equity Shares for consideration other than cash:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Reason	Allottees
March 28, 2005(1)	1,000,000	10	Bonus issue in the ratio of 1:2	Anjan Chatterjee and Suchhanda Chatterjee
March 2, 2011(2)	27,029,124	10	Bonus issue in the ratio of 1:18	Anjan Chatterjee, Suchhanda Chatterjee, Avik Chatterjee, Harshita Chatterjee, Nellie Sen, Indranil Ananda Chatterjee, Biswajit Mukhopadhyay, SAIF and Glix Securities

(1) Equity Shares have been issued, by way of bonus issue, out of the surplus in the profit and loss account of our Company by capitalizing Rs. 10,000,000.

(2) Equity Shares have been issued, by way of bonus issue, out of the share premium account of our Company by capitalizing Rs. 270,291,240.

Other than as specified above, our Company has not issued any Equity Shares for consideration other than cash during the preceding one year from the date of this Red Herring Prospectus.

(d) Issue of Preference Shares for consideration other than cash:

Date of Allotment	No. of Preference Shares	Face Value (Rs.)	Reason	Allottees
February 9, 2011(1)	40,069	10	Bonus issue in the ratio of 10,000:1,935	SAIF(2)
March 2, 2011 (3)	6,068,610	10	Bonus issue in the ratio of 1:18	SAIF and Glix Securities

(1) Preference Shares have been issued, by way of bonus issue, out of the share premium account of our Company by capitalizing Rs. 400,690.

(2) Glix Securities through its letter dated February 4, 2011 has waived its entitlement to receive Preference Shares pursuant to bonus issue of Preference Shares.

(3) Preference Shares have been issued, by way of bonus issue, out of the share premium account of our Company by capitalizing Rs. 60,686,100.

2. History of the Equity Share Capital held by our Promoters

(a) *Details of the build-up of our Promoters' shareholding in our Company*:

Date of Allotment/ Transfer	No. of Equity Shares allotted/ (transferred)	Face Value (Rs.)	Total issue/ acquisition Price (Rs.)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	Percentage of pre- Issue Capital		Percentage of post-Issue Capital
						Prior to conversion of Preference Shares	Pursuant to conversion of Preference Shares	
Anjan Chatterjee								
December 1, 1999	10	10	100	Cash	Allotment	Negligible	Negligible	Negligible
March 30, 2000	49,990	10	499,900	Cash	Allotment	0.18	0.14	0.11
August 11, 2003	240,000	10	2,400,000	Cash	Allotment	0.84	0.68	0.51
March 28, 2005	580,000	10	-	Bonus issue in the ratio of 1:2	Allotment	2.03	1.65	1.24
February 4, 2011	(1)	10	Nil	Gift	Transfer to Avik Chatterjee	Negligible	Negligible	Negligible
February 4, 2011	(1)	10	Nil	Gift	Transfer to Harshita Chatterjee	Negligible	Negligible	Negligible
February 4, 2011	(1)	10	Nil	Gift	Transfer to Nellie Sen	Negligible	Negligible	Negligible
February 4, 2011	(1)	10	Nil	Gift	Transfer to Indranil Ananda Chatterjee	Negligible	Negligible	Negligible
February 4, 2011	(1)	10	Nil	Gift	Transfer to Biswajit Mukhopadhyay	Negligible	Negligible	Negligible
March 2, 2011	15,659,910	10	-	Bonus issue in the ratio of 1:18	Allotment	54.89	44.47	33.35
Suchhanda Chatterjee								
December 1, 1999	10	10	100	Cash	Allotment	Negligible	Negligible	Negligible
March 30, 2000	49,990	10	499,900	Cash	Allotment	0.18	0.14	0.11
August 11, 2003	160,000	10	1,600,000	Cash	Allotment	0.56	0.45	0.34
March 28, 2005	420,000	10	-	Bonus issue in the ratio of 1:2	Allotment	1.47	1.19	0.89
March 2, 2011	11,340,000	10	-	Bonus issue in the ratio of 1:18	Allotment	39.75	32.20	24.15

None of the Equity Shares held by our Promoters are pledged.

(b) *Details of Promoters' contribution and Lock-in*:

Date of Acquisition and when made fully paid-up	Nature of Allotment/Transfer	Nature of Consideration (Cash)	No. of Equity Shares	Face Value (Rs.)	Issue/acquisition price per Equity Share (Rs.)	Number of Equity Shares locked in	Percentage of post-Issue paid-up equity share capital
Anjan Chatterjee							
March 2, 2011	Bonus issue in the ratio of 1:18	-	15,659,910	10	-	5,447,076	11.60
Suchhanda Chatterjee							
March 2, 2011	Bonus issue in the ratio of 1:18	-	11,340,000	10	-	3,944,456	8.40
Total						**9,391,532**	**20.00**

The minimum Promoters' contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations. Our Promoters' contribution constituting of not less than 20% post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in this Issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations.

Our Company has obtained specific written consent from our Promoters for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, our Promoters have given an undertaking to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Red Herring Prospectus until the date of commencement of lock-in in accordance with the SEBI Regulations.

(c) *Details of pre-Issue Equity Share capital locked-in for one year*:

In addition to the 20% of the post-Issue paid-up equity shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue equity share capital will be locked-in for a period of one year from the date of Allotment of the Equity Shares in this Issue.

(d) *Other requirements in respect of lock-in*:

The Equity Shares held by our Promoters which are locked-in for a period of three years can be pledged only with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution. Further, such pledge can be created only if the loan has been granted by such scheduled commercial bank or public financial institution for financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoters which are locked-in for a period of one year can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoters and locked-in may be transferred to and amongst our Promoter Group or to a new promoter or persons in control of our Company, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of allotment in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares Allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in this Issue.

3. **History of Equity and Preference Share Capital held by SAIF and Glix Securities in our Company**

(a) The details of the build-up of equity shareholding of SAIF and Glix Securities in our Company is set forth below:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition price per Equity Share (Rs.)	Consideration (cash, other than cash etc)	Nature of transaction
SAIF					
February 4, 2011	1,060	10	-	NA	Conversion of 1,000 Preference Shares into 1,060 Equity Shares
March 2, 2011	19,080	10	-	Bonus issue of Equity Shares in the ratio of 1:18	Allotment
November 21, 2011	4,977,500	10	-	NA	Conversion of 4,695,755 Preference Shares into 4,977,500 Equity Shares
Total	**4,997,640**				

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition price per Equity Share (Rs.)	Consideration (cash, other than cash etc)	Nature of transaction
Glix Securities					
February 4, 2011	558	10	-	NA	Conversion of 558 Preference Shares into 558 Equity Shares
March 2, 2011	10,044	10	-	Bonus issue of Equity Shares in the ratio of 1:18	Allotment
November 21, 2011	1,710,000	10	-	NA	Conversion of 1,710,000 Preference Shares into 1,710,000 Equity Shares
Total	**1,720,602**				

(b) The details of the build-up of preference shareholding of SAIF and Glix Securities in our Company is set forth below:

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue/ acquisition price per Preference Share (Rs.)	Consideration (cash, other than cash etc)	Nature of transaction
SAIF					
December 27, 2007	208,076	10	1,699.98[(1)]	Cash	Allotment
February 4, 2011	(1,000)	10	-	NA	Conversion of 1,000 Preference Shares into 1,060 Equity shares
February 9, 2011	40,069	10	-	Bonus issue of Preference Shares in the ratio of 10,000:1,935	Allotment
March 2, 2011	4,448,610	10	-	Bonus issue of Preference Shares in the ratio of 1:18	Allotment
November 21, 2011	(4,695,755)	10	-	NA	Conversion of 4,695,755 Preference Shares into 4,977,500 Equity Shares
Total	**Nil**				
Glix Securities					
May 4, 2010	90,558	10	1,656.40[(2)]	Cash	Allotment
February 4, 2011	(558)	10	-	NA	Conversion of 558 Preference Shares into 558 Equity Shares
February 9, 2011	-	-	-	-	-[(3)]
March 2, 2011	1,620,000	10	-	Bonus issue of Preference Shares in the ratio of 1:18	Allotment
November 21, 2011	(1,710,000)	10	-	NA	Conversion of 1,710,000 Preference Shares into 1,710,000 Equity Shares
Total	**Nil**				

(1) *This excludes face value paid towards allotment of warrants (convertible into Preference Shares). A total acquisition price of Rs. 355,393,781 was received towards allotment of 208,076 Preference Shares of Rs. 10 each and 166,924 warrants (convertible into Preference Shares) of Rs. 10 each and Rs. 351,643,781 was transferred to securities premium account. Subsequently, on February 18, 2009, 166,924 warrants were cancelled and the subscription amount thereon was forfeited and transferred to capital reserve account.*

(2) *The Preference Shares held by Glix Securities were fully paid up on August 12, 2010.*

(3) *Glix Securities through its letter dated February 4, 2011 has waived its entitlement to receive Preference Shares pursuant to bonus issue of Preference Shares.*

(c) **Cost per Equity Share to SAIF and Glix Securities**

The cost per Equity Share to SAIF and Glix Securities, post conversion of the Preference Shares held by them respectively, is set forth in the table below:

Sr. No	Name of the entity	Cost per Equity Share (in Rs.)
1.	SAIF	70.78
2.	Glix Securities	87.18

4. **Shareholding Pattern of our Company**

(a) The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue:

Category of Shareholder	No. of Shareholders	Pre-Issue Shareholding				Post – Issue Shareholding[1]			Shares pledged or otherwise encumbered	
		Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Total No. of Shares	Total Shareholding as a % of total No. of Shares		Number of shares	As a % of Total No. of Shares
				As a % of (A+B)	As a % of (A+B+C)		As a % of (A+B)	As a % of (A+B+C)		
(A) Shareholding of Promoter and Promoter Group										
(1) Indian										
Individuals / Hindu Undivided Family										
a. Anjan Chatterjee	1	16,529,905	16,529,905	46.93	46.93	16,529,905	35.20	35.20	-	-
b. Suchhanda Chatterjee	1	11,970,000	11,970,000	33.99	33.99	11,970,000	25.49	25.49	-	-
c. Others	3	57	57	0.00	0.00	57	0.00	0.00	-	-
Central Government/ State Governments	Nil	Nil	Nil	-	-	-	-	-	-	-
Bodies Corporate	Nil	Nil	Nil	-	-	-	-	-	-	-
Financial Institutions/ Banks	Nil	Nil	Nil	-	-	-	-	-	-	-
Any other (specify)	Nil	Nil	Nil	-	-	-	-	-	-	-
Sub Total	**5**	**28,499,962**	**28,499,962**	**80.92**	**80.92**	**28,499,962**	**60.69**	**60.69**	**-**	**-**
(2) Foreign										
Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	-	-	-	-	-	-	-
Bodies Corporate	Nil	Nil	Nil	-	-	-	-	-	-	-
Institutions	Nil	Nil	Nil	-	-	-	-	-	-	-
Any other (specify)	Nil	Nil	Nil	-	-	-	-	-	-	-
Sub Total	**Nil**	**Nil**	**Nil**	-	-	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	**5**	**28,499,962**	**28,499,962**	**80.92**	**80.92**	**28,499,962**	**60.69**	**60.69**	**-**	**-**
(B) Public Shareholding										
(1) Institutions										
Mutual Funds / UTI	Nil	Nil	Nil	-	-	-	-	-	-	-
Financial Institutions / Banks	Nil	Nil	Nil	-	-	-	-	-	-	-
Central Government / State Government(s)	Nil	Nil	Nil	-	-	-	-	-	-	-
Venture Capital Funds	Nil	Nil	Nil	-	-	-	-	-	-	-
Insurance Companies	Nil	Nil	Nil	-	-	-	-	-	-	-
Foreign Institutional Investors	Nil	Nil	Nil	-	-	-	-	-	-	-
Foreign Venture Capital Investors	Nil	Nil	Nil	-	-	-	-	-	-	-

Category of Shareholder	No. of Shareholders	Pre-Issue Shareholding				Post – Issue Shareholding[1]			Shares pledged or otherwise encumbered	
		Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Total No. of Shares	Total Shareholding as a % of total No. of Shares		Number of shares	As a % of Total No. of Shares
				As a % of (A+B)	As a % of (A+B+C)		As a % of (A+B)	As a % of (A+B+C)		
Any other (specify)	Nil	Nil	Nil	-	-	-	-	-	-	-
Sub Total	**Nil**	**Nil**	**Nil**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Non-Institutions										
Bodies Corporate										
(i) SAIF[2]	1	4,997,640	4,997,640	14.19	14.19	4,997,640	10.64	10.64	-	-
(ii) Glix Securities[2]	1	1,720,602	10,602	4.89	4.89	1,720,602	3.67	3.67	-	-
Individuals										
Individual shareholders holding nominal share capital up to Rs. 1 lakh	2	38	38	0.00	0.00	38	0.00	0.00	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	Nil	Nil	Nil	-	-	-	-	-	-	-
Any Others (Specify)										
Non Resident Indians	Nil	Nil	Nil	-	-	-	-	-	-	-
Trusts	Nil	Nil	Nil	-	-	-	-	-	-	-
Clearing Members	Nil	Nil	Nil	-	-	-	-	-	-	-
Overseas Corporate Bodies	Nil	Nil	Nil	-	-	-	-	-	-	-
Foreign Corporate Bodies	Nil	Nil	Nil	-	-	-	-	-	-	-
Foreign Nationals	Nil	Nil	Nil	-	-	-	-	-	-	-
Sub Total	**4**	**6,718,280**	**5,008,280**	**19.08**	**19.08**	**6,718,280**	**14.31**	**14.31**	**-**	**-**
Total Public Shareholding (B)	**4**	**6,718,280**	**5,008,280**	**19.08**	**19.08**	**18,457,695[3]**	**39.31**	**39.31**	**-**	**-**
Total (A)+(B)	**9**	**35,218,242**	**33,508,242**	**100.00**	**100.00**	**46,957,657**	**100.00**	**100.00**		
(C) Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	-	-	-	-	-	-	-
Total (A)+(B)+(C)	**9**	**35,218,242**	**33,508,242**	**100.00**	**100.00**	**46,957,657**	**100.00**	**100.00**	**-**	**-**

(1) Assuming none of the shareholders participate in the Issue.

(2) Public shareholders holding more than 1 % of pre-issue capital of our Company.

(3) Including 11,739,415 Equity Shares to be issued pursuant to the Issue.

5. **Top 10 shareholders:**

(a) As of the date of this Red Herring Prospectus i.e. May 4, 2012:

Name of the shareholders	No. of Equity Shares held	Percentage
Anjan Chatterjee	16,529,905	46.93
Suchhanda Chatterjee	11,970,000	33.99
SAIF	4,997,640	14.19
Glix Securities	1,720,602	4.89
Harshita Chatterjee	19	Negligible
Avik Chatterjee	19	Negligible
Nellie Sen	19	Negligible

Name of the shareholders	No. of Equity Shares held	Percentage
Indranil Ananda Chatterjee	19	Negligible
Biswajit Mukhopadhyay	19	Negligible

(b) As of 10 days prior to the date of this Red Herring Prospectus i.e. April 24, 2012:

Name of the shareholders	No. of Equity Shares held	Percentage
Anjan Chatterjee	16,529,905	46.93
Suchhanda Chatterjee	11,970,000	33.99
SAIF	4,997,640	14.19
Glix Securities	1,720,602	4.89
Harshita Chatterjee	19	Negligible
Avik Chatterjee	19	Negligible
Nellie Sen	19	Negligible
Indranil Ananda Chatterjee	19	Negligible
Biswajit Mukhopadhyay	19	Negligible

(c) As of two years prior to the date of this Red Herring Prospectus i.e. May 4, 2010:

Name of the shareholders	No. of Equity Shares held	Percentage
Anjan Chatterjee	870,000	58.00
Suchhanda Chatterjee	630,000	42.00

6. Our Company, our Directors and the BRLM have not entered into any buy-back arrangement and/or safety net facility for the purchase of Equity Shares from any person.

7. Neither the BRLM nor its associates hold any Equity Shares of our Company.

8. We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, we may drawdown such amounts, as may be required, from an overdraft arrangement or term loan facility with Kotak Mahindra Bank Limited, to finance development of New Restaurants until the completion of the Issue. Any amount that is drawn down from the overdraft or term loan facilities during this period for development of New Restaurants will be repaid from the Net Proceeds of the Issue. For further details see the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

9. Except as stated in the section "Our Management" on page 142 of this Red Herring Prospectus, none of our Directors or key management personnel hold any Equity Shares in our Company.

10. None of our Promoters, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI.

11. None of our Promoters, Promoter Group or our Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of registering the Red Herring Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre- issue capital of our Company.

12. Except as stated below, the Company has not made any issue of Equity Shares during a period of one year preceding from the date of this Red Herring Prospectus, at a price which may be lower than the Issue price:

Date of allotment of Equity Shares	Number of Equity Shares	Issue price (in Rs.)	Nature of Payment	Reasons for allotment of Equity Shares
November 21, 2011	6,687,500	-	NA	Conversion of Preference Shares[1]

[1] Our Company allotted 4,977,500 Equity Shares to SAIF and 1,710,000 Equity Shares to Glix Securities pursuant to conversion of 4,695,755 Preference Shares held by SAIF and 1,710,000 Preference Shares held by Glix Securities.

Also see the section "History and Certain Corporate Matters – Shareholders' Agreements" on page 140 of this Red Herring Prospectus and "– Shareholding Pattern of our Company" in note 4 above.

13. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

14. Not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any of the categories would be allowed to be met with spill over from any other category at the discretion of our Company and the BRLM, in consultation with the Designated Stock Exchange.

15. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

16. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

18. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

20. Our Company has nine members as of the date of filing of this Red Herring Prospectus.

21. Our Company has not issued any Equity Shares out of revaluation reserves.

22. All Equity Shares will be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

23. There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

OBJECTS OF THE ISSUE

The Company proposes to utilise the Issue proceeds, after deducting the underwriting and issue management fees, selling commissions and other expenses associated with the Issue (the "**Net Proceeds**") for the following objects:

1. Development of New Restaurants;

2. Development of a food plaza;

3. Repayment of portions of term loan facilities; and

4. General corporate purposes

The main objects clause of our Memorandum of Association enables us to undertake the activities for which funds are being raised through this Issue. Further, we confirm that the activities which we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are set forth in the table below:

Particulars	Amount (In Rs. million)
Gross Proceeds from the Issue	[●]
Issue related expenses	[●]
Net Proceeds(1)	[●]

(1) *To be finalised upon completion of the Issue.*

Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(*In Rs. million*)

Particulars	Amount
Development of New Restaurants	1,316.01
Development of a food plaza	151.00
Repayment of term loan facilities	94.16
General corporate purposes(1)	[●]
Total Net Proceeds	**[●]**

(1) *The amount to be deployed towards general corporate purposes will be determined on finalisation of Issue Price.*

Deployment of the Net Proceeds

The fund requirements described below are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4 (g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(*In Rs. million*)

Project/ Activity	Total	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Development of New Restaurants(1)	1,316.01	469.19	482.21	364.61
Development of a food plaza(2)	151.00	75.50	75.50	-
Repayment of portions of term loan facilities	94.16	94.16	-	-
General corporate purposes(3)	[●]	[●]	[●]	[●]

Project/ Activity	Total	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015
Total	[●]	[●]	[●]	[●]

(1) *As of March 31, 2012, we have deployed an amount aggregating to Rs. 10.38 million towards development of New Restaurants which includes an amount of Rs. 6.70 million availed from Kotak Mahindra Bank Limited to finance expenditure for development of New Restaurants. The statutory auditors of our Company through their certificate dated May 2, 2012 have certified deployment of Rs. 10.38 million towards development of New Restaurants as at March 31, 2012. This amount will not be recouped from the Net Proceeds of the Issue. However, we may drawdown such amounts, as may be required, from an overdraft arrangement or term loan facility with Kotak Mahindra Bank Limited, to finance development of New Restaurants until the completion of the Issue. Any amount that is drawn down from the overdraft or term loan facilities during this period for development of New Restaurants will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, please see section "Financial Indebtedness" on page 243 of this Red Herring Prospectus.*

(2) *As of March 31, 2012, we have incurred an expenditure of Rs.21.78 million towards purchase of land for the food plaza from the West Bengal Housing Infrastructure Development Corporation Limited ("WBHIDCO") as certified by the statutory auditors of our Company through their certificate dated May 2, 2012. This amount will not be recouped from the Net Proceeds of the Issue.*

(3) *The amount to be deployed towards general corporate purposes will be determined on finalisation of the Issue Price.*

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the Net Proceeds, as well as the discretion to revise its business plan from time to time and consequently the funding requirement and deployment of funds may also change. This may include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds. In the event of significant variations in the proposed utilisation, approval of the shareholders of our Company shall be duly sought. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in this Issue, including the funds available for general corporate purposes. If such surplus funds are unavailable, the required financing will be met through internal accruals and debt. We believe that such alternative arrangements would be available to fund any such shortfall. In the event any surplus funds remain from the Net Proceeds after meeting all the aforesaid objectives, such surplus proceeds will be used for general corporate purposes including for meeting future growth opportunities.

Details of the Objects of the Issue

1. Development of New Restaurants

We plan to leverage the brand equity enjoyed by our flagship brand, *Mainland China,* to selectively expand within our existing markets and into new markets. Our expansion plans are targeted at meeting the growing demand for fine dining options for the middle-class in India. We propose to utilise a portion of the Net Issue Proceeds to open 45 New Restaurants during Fiscal 2013, Fiscal 2014 and Fiscal 2015 across various Metro, Tier I and Tier II cities as set forth in the table below:

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Total
Metro cities	4	7	3	**14**
Tier I cities	8	8	8	**24**
Tier II cities	4	1	2	**7**
Total	**16**	**16**	**13**	**45**

As we grow, we plan to maintain a fixed basket of brands with a focus on our *Mainland China* brand, while targeting a few new market segments in a measured and disciplined way, subject to market conditions. The table below sets forth the distribution of our proposed New Restaurants as mentioned above across our various dining formats:

Brand	Fiscal 2013	Fiscal 2014	Fiscal 2015	Total
Mainland China	12	11	9	32
Flame & Grill	-	-	2	2

Brand	Fiscal 2013	Fiscal 2014	Fiscal 2015	Total
Italian Café/Kibbeh	-	2	2	4
Sigree	4	3	-	7
Total	**16**	**16**	**13**	**45**

We propose to utilise an amount aggregating to approximately Rs. 1,316.01 million from the Net Proceeds of the Issue to fund our expenses for development of the New Restaurants. As of March 31, 2012, we have deployed an amount aggregating to Rs. 10.38 million towards development of New Restaurants which includes an amount of Rs. 6.70 million availed from Kotak Mahindra Bank Limited to finance expenditure for development of our New Restaurants. The statutory auditors of our Company through their certificate dated May 2, 2012 have certified the deployment of Rs. 10.38 million towards development of New Restaurants as at March 31, 2012. This amount will not be recouped from the Net Proceeds of the Issue. However, we may drawdown such amounts, as may be required, from an overdraft arrangement or term loan facility with Kotak Mahindra Bank Limited, to finance development of New Restaurants until the completion of the Issue. Any amount that is drawn down from the overdraft or term loan facilities during this period for development of New Restaurants will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, please see section "Financial Indebtedness" on page 243 of this Red Herring Prospectus.

The launch period for a new restaurant averages about four months. Further, it takes on an average four to six months from date of launch for our Company owned and operated restaurants to reach maturity and start contributing to revenues and profits. Suitable locations are crucial for a successful restaurant business. Currently, we operate our restaurants in various configurations that generally have a total area that may range from 4,000 to 6,000 square feet per restaurant location. Further, in relation to our proposed Italian café concept, we estimate that the total area of these restaurants would range from 2,200 to 2,500 square feet. We propose to lease various properties in the Metro, Tier I and Tier II cities for our New Restaurants. Of the 16 New Restaurants that we propose to open in Fiscal 2013, as of March 31, 2012, we have entered into arrangements to lease property for and commenced development of three New Restaurants located in Mumbai, Pune and Thane.

The funding arrangement for the development of the New Restaurants is set forth below:

Sr No.	Particulars	Amount (In Rs. million)	
(i)	Total estimated cost for the development of the New Restaurants		1,326.39
(ii)	Amount deployed as of March 31, 2012[1]	10.38	
(iii)	Expected funding from the Net Proceeds of the Issue	1,316.01	
	Total	**1,326.39**	

[1] *We have deployed an amount aggregating to Rs. 3.68 million from internal accruals, and an amount aggregating to Rs. 6.70 million availed from Kotak Mahindra Bank Limited for development of our New Restaurants. Accordingly, total amount deployed towards development of New Restaurants as of March 31, 2012 is Rs. 10.38 million, which has been certified by our statutory auditors through their certificate dated May 2, 2012. This amount will not be recouped from the Net Proceeds of the Issue. However, we may drawdown such amounts, as may be required, from an overdraft arrangement or term loan facility with Kotak Mahindra Bank Limited, to finance development of New Restaurants until the completion of the Issue. Any amount that is drawn down from the overdraft or term loan facilities during this period for development of New Restaurants will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, please see section "Financial Indebtedness" on page 243 of this Red Herring Prospectus.*

The estimated cost for development of the New Restaurants primarily comprises of capitalised costs such as expenses towards equipment and other costs which primarily include (i) interior costs (ii) expenses towards payment of security deposit; and (iii) miscellaneous expenses which includes contingency costs, project management costs and pre-operative expenses amongst other costs. The table below sets forth the total estimated costs for development of the New Restaurants across various dining formats:

Restaurants	No. of restaurants	Interior Costs *(In Rs. million)*	Equipment Costs (*In Rs. million*)	Security Deposit (*In Rs. million*)	Miscellaneous expenses (*In Rs. million*)	Total Estimated Costs (*In Rs. million*)
Mainland China	32	437.03	271.20	154.00	134.46	996.69
Flame & Grill	2	18.72	16.46	8.00	7.93	51.11
Italian Café/Kibbeh	4	18.00	26.00	12.00	13.83	69.83
Sigree	7	74.88	60.45	44.00	29.43	208.76
Total	**45**	**548.63** (1)	**374.11** (1)	**218.00**	**185.65**	**1,326.39**

(1) *Of an aggregate amount of Rs. 922.74 million of proposed expenditure towards interior costs and equipment costs which is to be funded from the Net Proceeds of the Issue, we are yet to place orders for equipment and other items aggregating Rs. 910.32 million (or 98.65% of the proposed expenditure).*

Interior Costs: Interior costs will include expenses in relation to fit-outs, painting, plumbing and drainage works, fire-fighting and safety equipment for the restaurant and kitchen areas and furniture and fixtures for the restaurant area. We have estimated that interior costs will aggregate approximately to Rs. 548.63 million. The table below sets forth the basis of our estimation for the total interior cost:

	No. of restaurants	Estimated average restaurant area (in sq. ft.)	Estimated average kitchen area (in sq. ft.)	Estimated average total area (in sq. ft.)	Average interiors cost (in Rs. per sq. ft.) *(1)*	Total interiors cost (in Rs. million) *(2)*
		(A)	(B)	C = (A + B)		
			Mainland China *(3)*			
Metro Cities	10	4,000	2,000	6,000	2,600	156.00
Tier I Cities	15	3,500	1,500	5,000	2,655	199.13
Tier II Cities	7	3,000	1,500	4,500	2,600	81.90
			Flame & Grill *(4)*			
Metro Cities	-	-	-	-	-	-
Tier I Cities	2	2,800	1,200	4,000	2,340	18.72
Tier II Cities	-	-	-	-	-	-
			Italian Café/KIBBEH *(5)*			
Metro Cities	-	-	-	-	-	-
Tier I Cities	4	1,500	700	2,200	2,045	18.00
Tier II Cities	-	-	-	-	-	-
			Sigree *(4)*			
Metro Cities	4	3,500	1,500	5,000	2,340	46.80
Tier I Cities	3	2,800	1,200	4,000	2,340	28.08
Tier II Cities	-	-	-	-	-	-
Total	**45**					**548.63**

(1) *The average interiors cost has been calculated as per formula set forth below:*

Average interiors cost= {('estimated average restaurant area' x 'interiors cost for restaurant area') + ('estimated *average kitchen area' x 'interiors cost for kitchen area')}/ Estimated average total area*

(2) *The total interiors cost has been calculated as per formula set forth below:*

Total interiors cost= ('number of restaurants' x 'estimated average total area' x 'average interiors cost')/ 1,000,000

(3) *The interior costs for 'restaurant area' and 'kitchen area' for Mainland China restaurants across Metro, Tier I and Tier II cities has been considered at Rs. 3,150 per square feet based on quotations received from Bengal Art Studio dated November 26, 2010 and revalidated on March 1, 2012.*

(4) *The interior costs for 'restaurant area' and 'kitchen area' for Flame & Grill and Sigree restaurants across Metro, Tier I and Tier II cities has been considered at Rs. 2,700 per square feet and Rs. 1,500 per square feet respectively based on quotations received from Bengal Art Studio dated November 26, 2010 and revalidated on March 1, 2012 and Baradwa Furniture dated November 26, 2010 and revalidated on March 1, 2012.*

(5) *The interior costs for 'restaurant area' and 'kitchen area' for Italian Café/Kibbeh across Metro, Tier I and Tier II cities has been considered at Rs. 2,300 per square feet and Rs. 1,500 per square feet respectively based on quotations received from Baradwa Furniture (for restaurant area) dated November 26, 2010 and revalidated on March 1, 2012 and Pradeep Construction (for kitchen area) dated November 26, 2010 and revalidated on March 1, 2012.*

The estimates for 'interior costs per square feet' for restaurant area and kitchen area are based on quotations received from various contractors who have worked with us in setting up our existing Company owned and operated restaurants.

Equipment Costs: We propose to install certain equipment at the New Restaurants. This will primarily include air-conditioning equipment, refrigerators, kitchen and service equipments and ventilation systems and other accessories. We do not intend to procure any second hand equipment for the New Restaurants. We have estimated that expenses towards equipment will aggregate approximately to Rs. 374.11 million. The table below sets forth the basis of estimation for the total equipment cost:

Type of Equipment	Cost of Equipment in Metro Cities per restaurant (*in Rs. million*)	Cost of Equipment in Tier I cities per restaurant (*in Rs. million*)	Cost of Equipment in Tier II cities per restaurant (*in Rs. million*)	Total *(in Rs. million)*
Mainland China				
Air conditioning	1.60	1.40	1.20	
Refrigeration	1.00	1.00	1.00	
Kitchen and service equipment	5.10	4.60	4.60	
Kitchen ventilation systems	0.80	0.80	0.80	
Other accessories	0.50	0.50	0.50	
Total equipment cost per restaurant (A)	**9.00**	**8.30**	**8.10**	
No. of restaurants (B)	**10**	**15**	**7**	
Total Equipment Cost (C) = (A)x(B)	**90.00**	**124.50**	**56.70**	**271.20**
Flame & Grill				
Air conditioning	-	1.23	-	
Refrigeration	-	1.00	-	
Kitchen and service equipment	-	4.70	-	
Kitchen ventilation	-	0.80	-	

Type of Equipment	Cost of Equipment in Metro Cities per restaurant (*in Rs. million*)	Cost of Equipment in Tier I cities per restaurant (*in Rs. million*)	Cost of Equipment in Tier II cities per restaurant (*in Rs. million*)	Total *(in Rs. million)*
systems				
Other accessories	-	0.50	-	
Total equipment cost per restaurant (A)	**-**	**8.23**	-	
No. of restaurants (B)	**-**	**2**	-	
Total Equipment Cost (C) = (A)x(B)	**-**	**16.46**	**-**	**16.46**
Italian Café/Kibbeh				
Air conditioning	-	0.60	-	
Refrigeration	-	1.20	-	
Kitchen and service equipment	-	3.60	-	
Kitchen ventilation systems	-	0.80	-	
Other accessories	-	0.30	-	
Total equipment cost per restaurant (A)	**-**	**6.50**	-	
No. of restaurants (B)	**-**	**4**	-	
Total Equipment Cost (C) = (A)x(B)	**-**	**26.00**	**-**	**26.00**
Sigree				
Air conditioning	1.54	1.23	-	
Refrigeration	1.00	1.00	-	
Kitchen and service equipment	5.10	4.70	-	
Kitchen ventilation systems	0.80	0.80	-	
Other accessories	0.50	0.50	-	
Total equipment cost per restaurant (A)	**8.94**	**8.23**	-	
No. of restaurants (B)	**4**	**3**	-	
Total Equipment Cost (C) = (A)x(B)	**35.76**	**24.69**	**-**	**60.45**
			Total	**374.11**

Our estimate of costs towards equipment are based on quotations received from various vendors, from whom we have purchased similar items for our Company owned and operated restaurants in the past as well as our internal estimates based on our prior experience of setting up similar Company owned and operated restaurants.

None of our Promoters or Directors or Group Companies have any interest in the proposed procurement of any equipment as stated above. The Promoters do not have any interest in any entities from whom quotations have been obtained for such equipment/machinery.

Security Deposit: We propose to utilise an amount of Rs. 218.00 million out of the Net Proceeds of the Issue towards payment of security deposit for 45 restaurants. This amount is computed on the basis of approximately six months' rent to be paid in advance, which is based on our internal estimates of rent payable for new premises in Metro, Tier I and Tier II cities for the New Restaurants. For Mainland China, Flame & Grill and Sigree restaurants that we propose to develop in Fiscal Year 2013, Fiscal Year 2014 and Fiscal Year 2015, we have estimated a security deposit of approximately Rs. 8.00 million, Rs. 4.00 million and Rs. 2.00 million per restaurant in Metro cities, Tier I cities and Tier II cities, respectively. For our Italian Café/Kibbeh restaurants that we propose to develop in Fiscal Year 2014 and Fiscal Year 2015, we have estimated a security deposit of approximately Rs. 4.00 million and Rs. 3.00 million per restaurant in Metro cities and Tier I cities, respectively. The details of the estimated expenditure towards security deposit for across various Metro, Tier I and Tier II cities are set forth in the table below:

Sr. No	**City**	**No. of New Restaurants**			**Total estimated costs towards security deposit** *(in Rs. million)*
		Fiscal Year 2013	**Fiscal Year 2014**	**Fiscal Year 2015**	
1.	Metro cities	4	7	3	112.00
2.	Tier I cities	8	8	8	92.00
3.	Tier II cities	4	1	2	14.00
Total		**16**	**16**	**13**	**218.00**

Of the 16 New Restaurants that we propose to open in Fiscal 2013, we have entered into arrangements to lease property for and commenced development of three restaurants that will be located in Mumbai, Pune and Thane. We have deployed an amount aggregating to Rs. 2.09 million towards payment of security deposit for two of these restaurants.

Miscellaneous Expenses: We propose to incur expenditure aggregating approximately Rs. 185.65 million towards project management costs, preliminary and pre-operative expenses and other expenses including expenses towards computer equipment, accessories, signages and certain contingencies that may arise during implementation and operationalisation of the New Restaurants including increases in cost, equipment and construction materials. We have computed our provision towards contingencies as 5% of our estimated costs towards interior costs and equipment and miscellaneous expenses.

2. Development of a food plaza

We propose to develop a food plaza in Rajarhat, Kolkata, West Bengal. We propose to develop this food plaza over the Fiscal Years 2013 and 2014. This food plaza will essentially consist of banquet hall(s) and our various restaurants. The land on which we propose to develop the food plaza admeasures approximately 4,047 Sq. Mtrs. and has been acquired by us from the WBHIDCO. We propose to incur a total amount aggregating to Rs. 172.78 million towards development costs of the food plaza. The funding arrangement for the development of the food plaza is set forth below:

(*In Rs. million*)

Particulars	**Amount**	
Total estimated cost for the development of the food plaza		172.78
Amount deployed as of February 29, 2012[1]	21.78	
Expected funding from the Net Proceeds of the Issue	151.00	
Total	**172.78**	

(1) *As certified by Deloitte Haskins & Sells, Chartered Accountants, (statutory auditors) through their certificate dated May 2, 2012. The expenditure has been primarily incurred on acquisition of land for the food plaza from the West Bengal Housing Infrastructure Development Corporation. This amount will not be recouped from Net Proceeds of the Issue.*

We propose to utilise an amount aggregating to Rs. 151.00 million from the Net Proceeds of the Issue. The estimated cost for development of the food plaza primarily comprises of (i) construction and infrastructure costs, (ii) interior and fit-out costs, (iii) kitchen and bar equipment costs and (iv) miscellaneous expenses. The table below sets forth details of estimated costs for development of the food plaza:

Particulars	**Total estimated average area (in square feet)**	**Estimated rate per square feet (in Rs.)**	**Amount** (*In Rs. million*) [(1)]
Construction and infrastructure costs			
- Banquets and restaurants	17,500	2,000	35.00
- Landscape garden	20,000	1,000	20.00
- Podium landscape	5,000	1,000	5.00
- Drive way and pathway	6,000	800	4.80
- Basement – parking and services	17,500	1,500	26.30
Total construction and infrastructure costs			**91.10**
Interior and fit out costs			
- Banquet hall(s)	8,000	2,200	17.60
- Restaurants	6,500	2,742[(2)]	17.80
Total interior and fit out costs			**35.40**
Kitchen and bar equipment costs			**20.00**
Miscellaneous expenses			**4.50**
Total			**151.00**

(1) *Of an aggregate amount of Rs. 55.40 million of proposed expenditure towards interior costs and equipment costs which is to be funded from the Net Proceeds of the Issue, we have not yet placed any orders.*

(2) *The estimated rate per square feet has been calculated as per the formula set forth below:*

Sum of ('estimated area per relevant restaurant' x 'estimated rate per square feet for the relevant restaurant')/ Sum of estimated areas of the relevant restaurants

The above-mentioned estimates have been provided by Ayan Sen, Architects, who has been engaged for the development of the food plaza and has also designed the layout plans for the food plaza.

In the event we raise debt to fund any expenditure towards development of the Food Plaza, the same may be reimbursed from the Net Proceeds.

Construction and infrastructure costs: We propose to incur an amount aggregating to Rs. 91.10 million towards construction and infrastructure costs for the food plaza. The construction costs primarily include costs to be incurred towards construction of the banquet hall(s), our restaurants, landscaped garden, a driveway and a parking lot. Further, the infrastructure costs will primarily include costs towards drainage, plumbing, sewerage, electrical works and water supply.

Interior and fit-out costs: We propose to incur an amount aggregating to Rs. 35.40 million towards interior cost and fit-out costs for the banquet hall(s) and our restaurants in the food plaza. Interior and fit out costs cost primarily includes costs in relation to *inter alia* flooring, wall finishes, electrical fittings and fixtures, fixed carpentry and loose furniture for the banquet hall and restaurants.

Kitchen and bar equipment costs: We propose to incur an amount aggregating to Rs. 20.00 million towards kitchen and bar equipment costs. This primarily includes expenses to be incurred in relation to air-conditioning equipment, refrigerators, exhausts and other kitchen and bar equipment.

Miscellaneous expenses: We propose to incur expenditure aggregating to Rs. 4.50 million towards project management costs, pre-operative expenses and other expenses.

3. Repayment of a term loan facility

We propose to utilise an amount aggregating to Rs. 94.16 million from the Net Proceeds of the Issue to repay portions of term loan facilities availed from State Bank of India and Kotak Mahindra Bank Limited. As of February 29, 2012, the outstanding amount under these term loan facilities was Rs. 180.81 million.

The details of loan facilities proposed to be repaid from the Net Proceeds of the Issue are set forth below:

<u>Loan facility from the State Bank of India</u>

Name of the lender	State Bank of India	
Nature of borrowing	Term loan	
Date of sanction letter	September 15, 2008	
Amount Sanctioned (*in Rs. million*)		225.00
Amount Availed (*in Rs. million*)		152.53
Purpose of utilization	Expansion of our company owned and operated restaurants	
Total amount outstanding as of February 29, 2012 (*in Rs. million*)		58.66
Total amount proposed to be utilised from the Net proceeds of the Issue (*in Rs. million*)		35.66
Rate of interest per annum		13.75%
Details of disbursements	**Date of disbursement**	**Amount (in Rs. million)**
	May 22, 2009	12.53
	September 25, 2009	50.00
	November 23, 2009	50.00
	December 5, 2009	20.00
	March 19, 2010	20.00
	Total	**152.53**
Re-payment schedule(1)	Amount repayable in 14 quarterly installments. Repayment commenced from December 2009. The repayment schedule for the sanctioned amount is set forth below :	
	Quarter Ended	**Amount of instalments (In Rs. million)**
	December 2009	2.00
	March 2009	4.00
	June 2010	7.50
	September 2010	12.50
	December 2010	12.50
	March 2011	12.50
	June 2011	12.50
	September 2011	12.50
	December 2011	23.00
	March 2012	23.00
	June 2012	23.00
	September 2012	25.00
	December 2012	27.50
	March 2013	27.50

(1) *A pre-payment charge of 2% of the pre-paid amount of the loan is applicable.*

Loan facility from Kotak Mahindra Bank Limited

Name of the lender	Kotak Mahindra Bank Limited	
Nature of borrowing	Term loan	
Date of sanction letter	April 27, 2011	
Amount Sanctioned (*in Rs. million*)		130.00
Amount Availed (*in Rs. million*)		130.00
Purpose of utilization	Capacity expansion by way of setting up new restaurant outlets	
Total amount outstanding as of February 29, 2012 (*in Rs. million*)		122.15
Total amount proposed to be utilised from the Net proceeds of the Issue (in *Rs. million*)		58.50
Rate of interest per annum		12.00%
Details of disbursements	**Date of disbursement**	**Amount (in Rs. million)**
	August 11, 2011	78.42
	December 29, 2011	39.30
	January 7, 2012	12.28
	Total	**130.00**
Re-payment schedule	Repayment in 10 semi-annual installments. Repayment commenced from December, 2011	
	Date of Repayment	**Amount of instalments (In Rs. million)**
	December 11, 2011	7.84
	June 11, 2012	13.57
	December 11, 2012	13.57
	June 11, 2013	13.57
	December 11, 2013	13.57
	June 11, 2014	13.57
	December 11, 2014	13.57
	June 11, 2015	13.57
	December 11, 2015	13.57
	August 11, 2016	13.57

For further details, see the section "Financial Indebtedness" on page 243 of this Red Herring Prospectus.

6. General corporate purposes

We propose to deploy the balance Net Proceeds of the Issue aggregating Rs. [●] million towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned and operated restaurants, towards brand promotion activities or any other purposes as may be approved by our Board.

The funding requirements and the intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of inherent uncertainties relating to food services industry and the competitive, dynamic nature of the food services industry and external factors such as change in consumer preferences due to health, dietary and other considerations, establishment of competing restaurants, unanticipated demand, changes in governmental regulation which may not be within the control of the management, we may have to revise our expenditure and fund requirements. These funding requirements are based on our existing estimates and the actual expenditure may vary. The funding requirements are further based on number of certain other factors, which may not be in the control of our management, including variations in the cost structure for opening restaurants, changes in estimates, exchange rate fluctuations and external factors. Any such changes may result in rescheduling and revising the planned expenditure and funding requirements, at the discretion of the management. In case of any surplus after utilisation of the proceeds from the Issue for the stated objects, such surplus will be used towards general corporate purposes. In the event of a shortfall in raising the requisite capital from the proceeds of the Issue towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to us and at the discretion of our management, including by way of incremental debt or cash available with our Company.

Issue Related Expenses

The estimated issue related expenses are as follows:

(*In Rs. million*)

Particulars	Amounts[(1)]	As % of total expenses	As a percentage of Issue Size
Lead merchant bankers (including, underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Registrars to the Issue	0.86	[●]	[●]
Advisors	2.20	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Others:			
- Printing and stationery	14.33	[●]	[●]
- Listing fees	0.26	[●]	[●]
- Advertising and marketing expenses	40.00	[●]	[●]
- Others	51.16	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

(1) *Will be updated after finalisation of Issue Price*

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, we may drawdown such amounts, as may be required, from an overdraft arrangement or term loan facility with Kotak Mahindra Bank Limited, to finance development of New Restaurants until the completion of the Issue. Any amount that is drawn down from the overdraft or term loan facilities during this period for development of New Restaurants will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, please see section "Financial Indebtedness" on page 243 of this Red Herring Prospectus.

Interim Use of Net Proceeds

Pending utilisation for the purposes set forth above, our Company intends to invest the funds in government securities (short term) and similar high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds for the necessary duration. The management in accordance with policies established by the Board from time to time, will have flexibility in deploying the Net Proceeds of the Issue.

Monitoring of Utilisation of Funds

A monitoring agency will not be appointed to monitor the utilisation of proceeds in relation to this Issue since the gross proceeds of the Issue are expected to be less than Rs. 5,000.00 million. Our Board will monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. We will indicate investments, if any, of unutilised proceeds of the Issue in the balance sheet of our Company for the relevant financial years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, we shall on a quarterly basis disclose to our Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of our Company. We are required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, Group Companies, the Directors, or key managerial employees, except in the normal course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of our Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

- A leading portfolio of core brands including our flagship brand, *Mainland China*
- Focus on guest needs
- Experienced Founder and Promoter, management team and dedicated staff
- Diversified business model
- Strategic locations
- Robust processes and scalable model
- Strong financial position and profitability

For more details on qualitative factors, refer to section "Our Business" on page 112 of this Red Herring Prospectus.

Quantitative Factors

1. ***Basic and Diluted Earnings per share (EPS)***

Year ended March 31	Basic EPS	Diluted EPS	Weight
2009	2.21	1.80	1
2010	3.92	3.18	2
2011	5.48	4.44	3
Weighted Average	**4.42**	**3.58**	

For the nine months ended December 31, 2011, the Basic and Diluted EPS (not annualized) was Rs. 5.20.

Note:

a. Earnings per share calculations have been done in accordance with Accounting Standard 20 - "Earnings per Share" issued by the ICAI.

b. The Face Value of the Equity Share of our Company is Rs. 10 each.

2. ***Price Earnings Ratio (P/E) in relation to the Issue price of Rs. [●] per share***

a. P/E based on Basic EPS for the year ended March 31, 2011:

Particulars	P/E
P/E based on Basic EPS of Rs. 5.48 for the year ended March 31, 2011	[●]
P/E based on Weighted Average Basic EPS of Rs. 4.42 for the year ended March 31, 2011	[●]

b. P/E based on Diluted EPS for the year ended March 31, 2011:

Particulars	P/E
P/E based on Diluted EPS of Rs. 4.44 for the year ended March 31, 2011	[●]

Particulars	P/E
P/E based on Weighted Average Diluted EPS of Rs. 3.58 for the year ended March 31, 2011	[●]

3. Return on Networth (RoNW)

Year ended March 31	RoNW (%)	Weight
2009	11	1
2010	17	2
2011	17	3
Weighted Average	16	

RoNW for the nine months ended December 31, 2011: 14%

4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2011:

Particulars	Minimum RoNW (%)
To maintain Pre-Issue Basic EPS for the year ended March 31, 2011	[●]
To maintain Pre-Issue Diluted EPS for the year ended March 31, 2011	[●]

5. Net Asset Value

a. NAV as at March 31, 2011 : Rs. 31.86 per Equity Share

b. NAV as at December 31, 2011 : Rs. 38.14 per Equity Share

c. Issue price : Rs. [●] per Equity Share

d. NAV after the Issue : Rs. [●] per Equity Share

Number of Shares considered for computation of NAV per Equity Share is based on the absolute number of Equity Shares outstanding at the period/ year end.

6. *Comparison with Industry peers*

We believe that none of the listed companies in India are engaged exclusively in the fine dining restaurant business.

The Issue Price will be [●] times of the face value of the Equity Shares. Our Company and the BRLM believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters.

STATEMENT OF TAX BENEFITS

26 March 2012
Registration No. 117366W

Ref: I/62/1210
Speciality Restaurants Ltd.
B/25, 4th Floor, Morya Landmark I,
Veera Industrial Estate,
Off New Link Road
Andheri (West)
Mumbai – 400053

Dear Sir,

Re.: Statement of Possible Direct Tax Benefits

We hereby submit that the enclosed annexure states the possible tax benefits available to Speciality Restaurants Ltd. ("Company") and its shareholders under the provisions of the Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the attached annexure are neither exhaustive nor conclusive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Direct Taxes Code Bill, 2010 ("the DTC Bill") was introduced in Parliament and has been referred to Standing Committee for their report. The DTC Bill has not been enacted and hence, the provisions contained in the DTC Bill have not been discussed in the attached annexure.

Further, recently the finance minister presented Finance Bill, 2012 in the Parliament. As the Bill is pending for Parliament approval and President assent, we have not considered the amendments proposed by the Finance Bill, 2012 in the attached annexure.

We do not express any opinion or provide any assurance whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met with.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Speciality Restaurants Ltd. Deloitte Haskins & Sells shall not be liable to Speciality Restaurants Ltd. for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. Deloitte Haskins & Sells will not be liable to any other person in respect of this statement.

Thanking you,

Yours faithfully,

Encl.: As above

Registration No. 117366W

ANNEXURE

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO SPECIALITY RESTAURANTS LTD. ("COMPANY") AND TO ITS SHAREHOLDERS

A. Under the Income-tax Act, 1961 ("the Act")

I. Special tax benefits available to the company

There are no special tax benefits available under the Act to the Company.

II. General tax benefits available to the company

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

2. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

   b. Income received in respect of units from the Administrator of the specified undertaking; or

   c. Income received in respect of units from the specified company:

   However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

   For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in section 2(h) of the said Act.

   Further, as per section 94(7) of the Act, losses arising from the sale / redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.

   As per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/ redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

3. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) or a zero coupon bonds will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long-term capital assets. In respect of other assets the determinative period of holding is 36 months as against 12 months mentioned above. Further, gain / loss arising from short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.

4. As per section 10(38) of the Act, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, "Equity Oriented Fund" means a fund –

(i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits including long term capital gains to which provisions of section 10(38) applies.

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". The investment in the long term specified assets is eligible for such deduction to the extent of Rs. 50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

7. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed.

8. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of listed securities or units or zero coupon bonds will be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act or at 10% (plus applicable surcharge and education cess) without indexation benefits, at the option of the Company. Under section 48 of the Act, the long term capital gain arising out of the sale of capital asset will be computed after indexing the cost of acquisition / improvement. As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was

first computed for set off against future long term capital gain. However, the brought forward long term capital loss can be set off only against future long term capital gains.

9. As per section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between Minimum Alternate Tax paid and the tax computed as per the normal provisions of the Act for that assessment year. The Minimum Alternate Tax credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

III. General tax benefits available to Resident Shareholders

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.

3. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed.

5. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under section 48 of the Act, the long term capital gain arising out of the sale of capital asset will be computed after indexing the cost of acquisition / improvement. As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. However, the brought forward long term capital loss can be set off only against future long term capital gains.

6. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term capital asset". The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or

converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

(ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

8. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer. Such benefit will not be available:

(a) if the Individual or HUF –

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house within a period of one year after the date of transfer of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

IV. General tax benefits available to Non-Resident Shareholders (Other than FIIs)

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax. However, as per section 94(7) of the Act, losses arising from sale / transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more

than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.

3. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction has been entered into on a recognised stock exchange of India and is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

4. As per section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). As per section 70 read with section 74 of the Act, short-term capital loss, if any arising during the year can be set-off against short-term capital gain as well as against the long-term capital gains and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed.

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case. As per section 112 of the Act, taxable long-term capital gains, on which securities transaction tax is not paid, on sale of shares of the company will be charged to tax at the rate of 20% (plus applicable surcharge and education cess). The benefit of proviso to section 112(1) providing for tax rate of 10% on long-term capital gains without indexation may be available to listed securities. As per section 70 read with section 74 of the Act, long-term capital loss, if any arising during the year can be set-off only against long-term capital gain and shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against future long term capital gain. However the brought forward long term capital loss can be set off only against future long term capital gains.

7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term capital asset". The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

   (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

8. As per section 54F of the Act, long term capital gains (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct a residential house. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer. Such benefit will

not be available:

(a) if the Individual or HUF –

– owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

– purchases another residential house within a period of one year after the date of transfer of the shares; or

– constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head "Profits and Gains of Business or Profession" if income arising from taxable securities transaction is included in such income.

10. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

V. Special tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Act, the term "non-resident Indians" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

4. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

5. As per section 115H of the Act, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.

6. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

7. In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

VI. Benefits available to Foreign Institutional Investors ('FIIs')

Special tax benefits

1. As per section 115AD of the Act, FIIs will be taxed on the capital gains which are not exempt under the provision of section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains referred in section 111A	15

The above tax rates have to be increased by the applicable surcharge and education cess.

2. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

3. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

General tax benefits

4. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by the Company) received on the shares of the Company is exempt from tax.

5. As per section 2(42A) of the Act, shares held in a company or any other security listed in a recognized stock exchange in India will be considered as short term capital asset if the period of holding of such security is 12 months or less immediately preceding the date of transfer. If the period of holding is more than 12 months, it will be considered as long term capital assets. Further, gain / loss arising from short term capital asset and long term capital asset is regarded as short term capital gain and long term capital gain respectively.

6. As per section 10(38) of the Act, long term capital gains arising from the transfer of long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

7. As per section 70 read with section 74 of the Act, short term capital loss, if any, arising during the year can be set off against short term capital gain and long term capital gain. It also provides that long-term capital loss, if any arising during the year can be set-off only against long-term capital gain. Both the short term capital loss and long term capital loss shall be allowed to be carried forward upto eight assessment years immediately succeeding the assessment year for which the loss was first computed. However the brought forward long term capital loss can be set off only against future long term capital gains.

8. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is considered as resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in case not covered under section 10(38) of the Act) arising on the transfer of shares of a Company would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term capital asset". The investment in the long term specified assets is eligible for such deduction to the extent of Rs.50,00,000 during any financial year. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

   A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

   (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988; or

   (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

B. General benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

NOTES:

(i) All the above benefits are as per the current tax laws.

(ii) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions.

The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY

The information and forecasts in this section are derived from the NRAI Report 2010, the India Retail Report 2009, the India Retail Report 2011, the Food Habits of India 08-09, (the "Technopak Report 2009"), the McKinsey Global Institute Report, India's Urban Awakening Building Inclusive Cities, Sustaining Economic Growth dated April 2010 (the "McKinsey Report 2010"), and other industry sources as well as government publications. Neither the Company, the BRLM nor any other person connected with the Issue have independently verified this information or forecasts. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. See section "Risk Factors—The Indian food services industry has a history of being fragmented and unorganised, lacking sufficient reliable industry data. As a result, third party statistical and financial data in this Red Herring Prospectus may be incomplete or unreliable" on page 34 of this Red Herring Prospectus. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from estimates or projections. See section "Forward-Looking Statements" on page 11 of this Red Herring Prospectus.

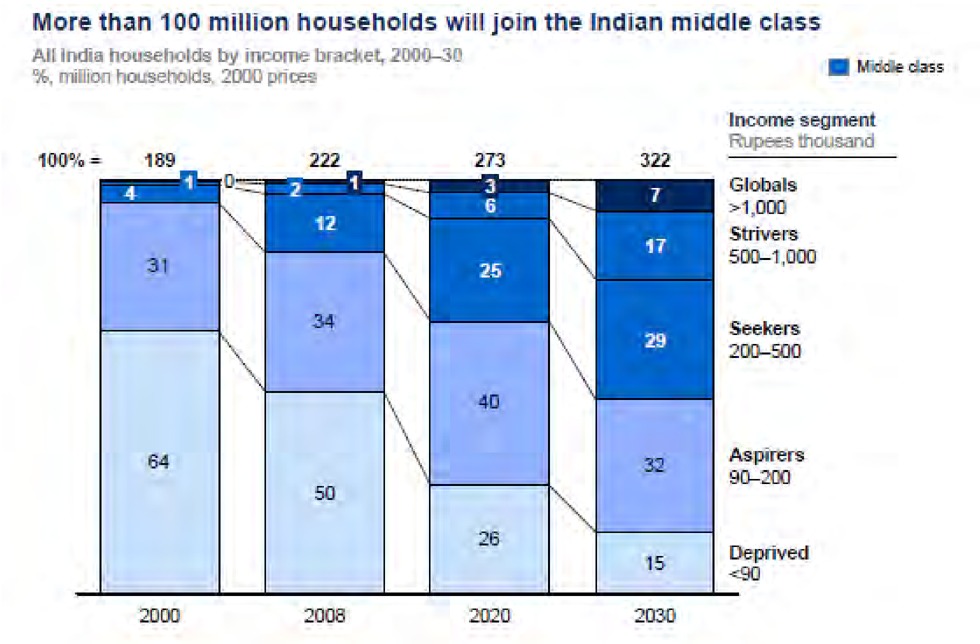
India's Economy

India is the world's fifth largest economy after the European Union, the United States of America, China and Japan in purchasing parity terms, with an estimated real gross domestic product ("GDP") estimated at US$4.0 trillion in 2010 *(Source: CIA World Factbook 2010)*.

As per the Reserve Bank of India ("RBI"), India's GDP at factor cost (2004-2005 prices) experienced a growth rate of 6.8%, 8.0% and 8.5% in the fiscal years 2009, 2010 and 2011, respectively. The "trade, hotels, restaurants, transport, storage & communication, etc" segment has shown a growth rate of 7.6%, 9.3% and 11.0% during fiscal years 2009, 2010 and 2011, respectively *(Source: RBI Review 2011)*. The restaurant sector is included within the hotel industry and has not been granted independent industry status by the Government of India *(Source: NRAI Report 2010)*.

Foreign direct investment ("FDI") and foreign institutional investment ("FII") are important drivers of economic growth in India. The FDI inflow was US$35.0 billion for fiscal year 2009, US$33.8 billion for fiscal year 2010 and US$25.9 billion for fiscal year 2011. The net FII investments in India were negative US$15.0 billion for fiscal year 2009, US$29.0 billion for fiscal year 2010 and US$29.4 billion for fiscal year 2011 *(Source: RBI Review 2011)*. The Government of India has taken a number of steps to encourage and facilitate foreign investment. Currently, FDI is allowed in various key sectors of the economy, including the manufacturing and services sectors. 100% FDI is allowed on an automatic basis in a company operating in the food services sector.

Over 17.5% of the world population resides in India *(Source: India Retail Report 2009)*. The median age of the Indian population is 25.1 years *(Source: India Retail Report 2009)*. According to the McKinsey Report 2010, the middle class segment of the Indian population comprising households earning an annual income of Rs. 200,000 to 1,000,000, is expected to grow as demonstrated in the table below:



Source: India Urbanization Econometric Model, McKinsey Report, 2010

Food Services Industry in India

Overview

The food services industry is becoming an increasingly important segment of India's economy. The size of the Indian food industry estimated at US$200 billion in the year 2006-07 and is estimated to reach US$300 billion by 2015 *(Source: Technopak Report 2009)*. The food services industry is the second largest component of discretionary spending, following the grocery stores industry *(Source: India Retail Report 2009)*. In recent years, the food services industry has emerged as one of the fastest growing industries with numerous domestic and international food chains entering the market *(Source: India Retail Report 2009).* The revenues of players operating in the restaurant industry in 2010 amounted to Rs. 430 billion with an annual growth rate of 5-6% *(Source: NRAI Report 2010)*. In spite of the recent economic slowdown, the food services industry in India is expected to remain one of the fastest growing industries in the Asia Pacific *(Source: Technopak Report 2009)*. Expansion is expected to come from domestic and international companies opening new outlets *(Source: Technopak Report 2009)*. In addition, as players continue to build strong regional brands, expansion is also likely to come from franchising outlets *(Source: Technopak Report 2009)*.

In the affluent and middle classes, while the expenditure on food (vis-à-vis other products and categories) as a percentage share of consumption expenditure has dropped, the total expenditure on food has increased across all classes of the Indian population *(Source: Technopak Report 2009)*. Food expenditure was earlier concentrated around basic food items like food grains, vegetable oils, and sugar *(Source: Technopak Report 2009)*. However, there is a shifting trend of increased spending on fruits and vegetables, eggs, meat, beverages and processed foods as a result of both increased availability and affordability *(Source: Technopak Report 2009)*.

Market Segments

The food services industry comprises two distinct market segments: the organised segment and the unorganised segment *(Source: India Retail Report 2011)*. The organised segment of the industry comprises 10.7% of the total industry, or Rs. 97.3 billion. The organized segment grew at an estimated rate of 25.6% in Fiscal Year 2011 and is expected to grow at a rate of 31.0% in Fiscal Year 2012 *(Source: India Retail Report 2011)*. The size of the unorganised segment is unknown as it comprises roadside eateries including *dhabas*, which are the most common forms of food outlets in India *(Source: Technopak Report 2009)*. Such unorganised players lack technical and accounting standardisation commonly found in the organised segment *(Source: Technopak Report 2009)*. In the last few years, there has been a shift to restaurant chains and franchise outlets which belong to the organised segment. Such segment is currently dominated by a handful of players which control over 3,000 outlets *(Source: Technopak Report 2009)*. Fine dining restaurants belong to the organised segment of the food services industry *(Source: Technopak Report 2009)*.

Set forth below is a chart describing the components of the organised sector of the Indian food industry.

	Description	Examples
Fine Dining Restaurants	Characterised by full service with a specific dedicated meal course, décor featuring high quality materials and highly trained staff in formal attire *(NRAI Report 2010)*.	*Olive (NRAI Report 2010)*
Casual Dining Restaurants	Characterised by moderately priced food in a causal atmosphere with table service (except in buffet style restaurants) and sometimes a full bar with separate bar staff *(NRAI Report 2010)*. Caters to the market segment between fine dining and quick service restaurants *(NRAI Report 2010)*.	*Geoffrey's* in NCR *(NRAI Report 2010)*
Bars and Lounges	Characterised by a focus on beverages, particularly alcoholic beverages. The higher-end bars with premium pricing are referred to as lounges.	*F Bar & Lounges*, *Elevate, Steel*, *Mocha*, *Den*, *Hard Rock Café*, *Sports Bar* and *TGIF (NRAI Report 2010)*
Quick Service Restaurants	Characterised by minimal table service. Some restaurants also feature takeaway and home delivery formats *(NRAI Report 2010)*.	*McDonald's*, *Nirula's*, *Domino's*, *Haldiram's*, *Bikanerwala*, *Agarwal Sweets* and *Pizza Hut (NRAI Report 2010)*
Food Courts	Typically a collection of multiple quick service restaurants with by a common seating area. A relatively new format popularised by shopping malls. Typically present in shared spaces including malls, airports, hospitals and office complexes *(NRAI Report 2010)*.	*No dominant brand*
Cafes	Comprises modern format beverage retailing chains including coffee bars, parlours and tea bars *(NRAI Report 2010)*.	*Barista Lavazza* and *Café Coffee Day (NRAI Report 2010)*
Kiosks	A relatively new format which comprises generally Chinese food, corn, savoury Indian snacks including *chaat* and ice cream kiosks *(NRAI Report 2010)*.	*Café Coffee Day* and *Nirula's (NRAI Report 2010)*

The Organised Sector

Structural Characteristics of the Organised Sector

The organised sector is characterised by accounting systems, organised supply chain with quality control and sourcing norms and multiple outlets *(Source: NRAI Report 2010)*. As a result, the organised sector requires back-end infrastructure, which in turn demands large investments of time, effort and money *(Source: NRAI Report 2010)*. Such investments account for the sector's long gestation periods *(Source: NRAI Report 2010)*.

Operational Characteristics of the Organised Sector

Some of the branded players currently operating in India are *Café Coffee Day*, *Barista* and *Sagar Ratna (Source: Technopak Report 2009)*. In addition, there are certain international branded players operating in India including *McDonald's*, *Domino's* and *Pizza Hut (Source: Technopak Report 2009)*. The competition and standards that the international brands introduced to the market have spurred domestic players to become more organised and responsive to the changing needs of customers *(Source: India Retail Report 2009)*. Certain local food chains have remained in the competitive arena following the entry of international food chains *(Source: India Retail Report 2009)*. Their success has prompted the establishment of a new generation of domestic chains including *Yo! China, Mainland China*, *Mircheez* and *Dosa Plaza (Source: India Retail Report 2009)*.

In the fast evolving food services industry, existing players are spending more resources on revamping their branding, improving efficiency and growing economies of scale in order to maintain competitiveness and increase market presence *(Source: NRAI Report 2010)*. Branding and cost efficiency is becoming increasingly important in order to maintain market presence in existing markets and expand into new markets *(Source: NRAI Report 2010)*.

Trends in the Food Services Industry and Cuisine

Increasing international food chains. During the past two decades, many international food chains have entered India as they perceived it to be a potential market with scope for expansion and growth *(Source: India Retail Report 2009)*. Certain international brands have become household names in India, including *McDonald's*, *Pizza Hut*, *Dominos*, *TGIF*, *KFC*, *Ruby Tuesday* and *Subway (Source: India Retail Report 2009)*. At the core of such international brands' success is an awareness of local tastes and habits of the Indian market *(Source: India Retail Report 2009)*.

While many international brands have already made a foray into India, a host of others are lining up to commence operations *(Source: NRAI Report 2010)*. Although multi-national companies will generally expand organically into India, some companies may also expand through acquisitions of domestic brands *(Source: NRAI Report 2010)*.

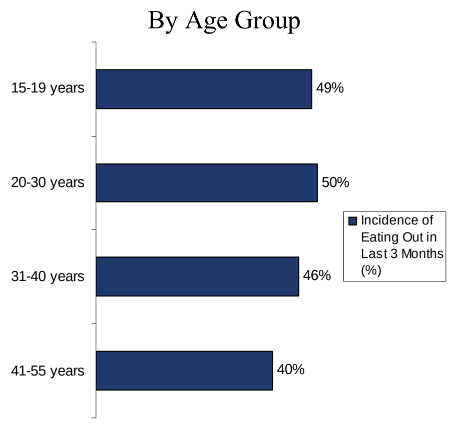
Evolving cuisine. According to the NRAI Report 2010, customers are generally satisfied with the dining options currently available *(Source: NRAI Report 2010)*. However, food companies (international and domestic) are consistently reviewing their menu offerings to better cater to the evolving tastes of the Indian market *(Source: NRAI Report 2010)*. Food companies are increasingly offering more than one cuisine in a single outlet to appeal to a wider population segment *(Source: NRAI Report 2010)*. For instance, restaurants serving Asian cuisines may combine one or more of the following cuisines: Indian, Chinese, Japanese, Thai and Vietnamese cuisines *(Source: NRAI Report 2010)*. In addition, the Indian population is increasingly seeking new cuisines, and industry players have been exploring regional cuisines, including Peshawari, Gujarati and Bengali, fusion cuisines including Chinese-style pizzas and international cuisines, including Italian, Lebanese and Mexican cuisines *(Source: NRAI Report 2010)*. In addition, international cuisines are moving toward the mid-market pricing segment rather than the top tier pricing segment traditionally found in five-star hotels serving international cuisines *(Source: NRAI Report 2010)*.

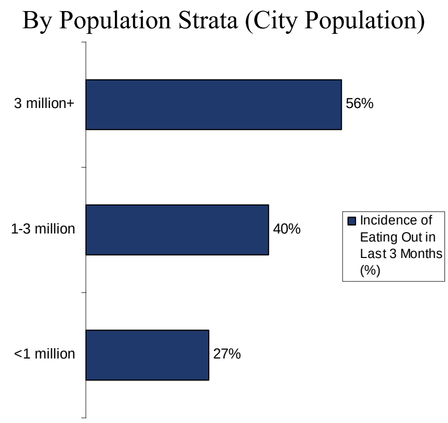
New locations. New opportunities are emerging in the organised segment in certain locations where a high density of people congregate, including shopping malls, travel terminals, office complexes and medical institutions *(Source: NRAI Report 2010)*. In particular, shopping malls are becoming a customary place for congregation and customer spending in shopping malls is increasing *(Source: NRAI Report 2010)*. Shopping malls tend to favour efficient formats such as kiosks and food courts, which are most suitable for fast food restaurants and casual dining *(Source: NRAI Report 2010)*. Full-service restaurants will likely remain standalone as mall developers are expected to encourage kiosks and food courts that house multiple establishments *(Source: NRAI Report 2010)*.

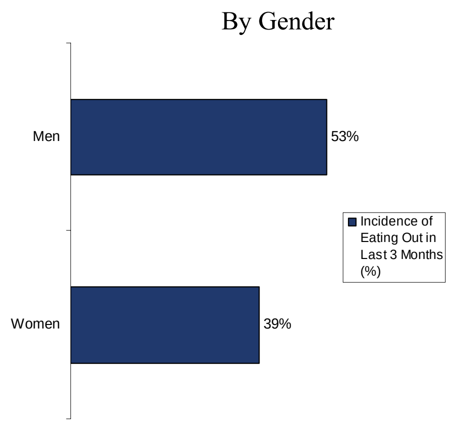
Changing Food Habits and Dining Out

50% of the Indian population dines-out at least once every three months *(Source: Technopak Report 2009)*. This is in part due to changing demographic factors, such as increasing income levels, growing proportion of the younger population, greater urbanization, increase in nuclear families and increase in women in the working forces *(Source: Technopak Report 2009)*. According to the NRAI Report 2010, dining out is typically used as a standalone social activity which is enjoyed mostly with family (43%) and friends (30%) and is only occasionally combined with other social activities such as shopping. In a study based on individuals who eat out regularly (at least once in three months), only 10% of such individuals indicated that their last dining out experience was due to special occasions such as anniversaries, engagements or promotions *(Source: NRAI Report 2009)*.

Set forth below are charts breaking down the proportion of people in India between the ages of 15 and 55 in the higher income segments who eat out regularly *(Source: NRAI Report 2010)*. 46% of the households in this segment have eaten out at least once in the past three months of the surveyed period *(Source: NRAI Report 2010)*.







Source: NRAI Report 2010

Dining out is most common in western India with 57% of the population having dined out in the last three months, compared with 37% in northern India, 45% in eastern India and 43% in southern India *(Source: NRAI Report 2010)*.

Key Growth Drivers in the Food Services Industry

The food services industry in India is in the growth phase and offers opportunities across a variety of cuisines in various formats including the fine dining sector. Although the revenue of players operating in the restaurant industry in 2010 was Rs. 430 billion, it is expected to grow to Rs. 625 billion by 2015 with an increased proportion attributable to the organised segment *(Source: NRAI Report 2010)*. In 2010, 16% of the restaurant industry was organised as compared to the projected 45% in 2015 *(Source: NRAI Report 2010)*.

Set forth below are the key drivers of growth in the food services industry in India:

Changing Demographic Profile

Demographic change facilitating growth in the food services industry include the increasing large young working population (median age of 24 years) *(Source: India Retail Report 2009)*. Over 65% of India's population is below 35 years of age and the age group between 21 and 40 years constitutes the majority among those who eat out regularly *(Source: Technopak Report 2009)*.

In addition, the increasing population of the middle-class coupled with the increasing proportion of the population living in urban centres (29.50% in 2007-08) is leading to an increase in dining out as a lifestyle choice *(Source: India Retail Report 2009 and NRAI Report 2010)*. See "— India's Economy".

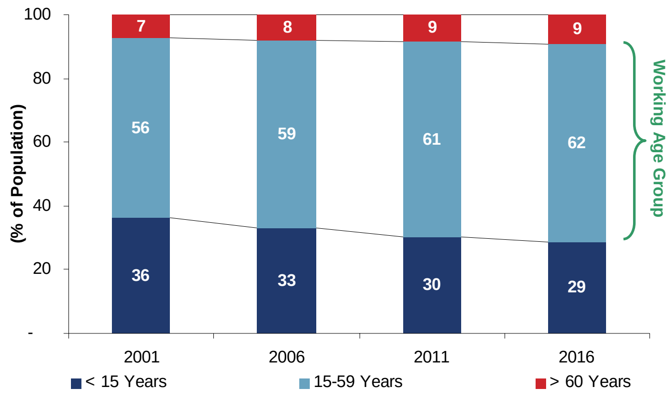
Further, the proportion of nuclear families is also increasing, with approximately 1.5-2% of joint families giving rise to nuclear families annually *(Source: NRAI Report 2010)*. There is also an increasing proportion of women in the workforce (17% in 2005 compared with 14% in 2000) and a growing trend of double-income households *(Source: NRAI Report 2010)*. All these factors are contributing to an increase in dining out in India.

Interest from Private Equity Players

Obtaining financing in the food services industry in India has historically been difficult and burdensome as financial institutions treat restaurants as a highly risky business requiring substantial diligence and collateral in the form of assets and guarantees *(Source: NRAI Report 2010)*. However, recently, there has been an increase in private equity financing for established industry players with mature operations *(Source: NRAI Report 2010)*.

Growing Working Population

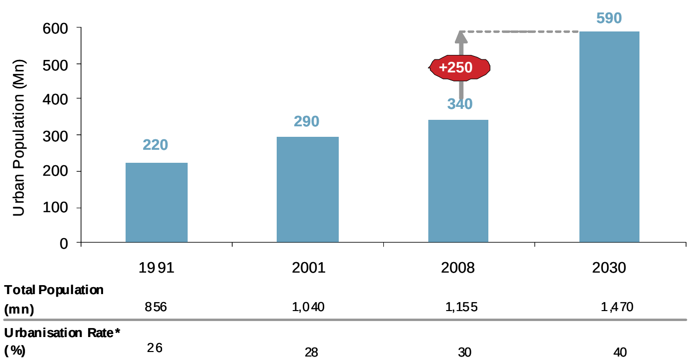
As per the Central Statistical Organisation, the working population in India is estimated to constitute 62% of the total population by 2016, compared to 61% in 2011 and 59% in the year 2006. Set forth below is a chart showing India's split between the working age group and the non-working age group in the years indicated below.



Source: Central Statistical Organisation

Rising Urbanisation

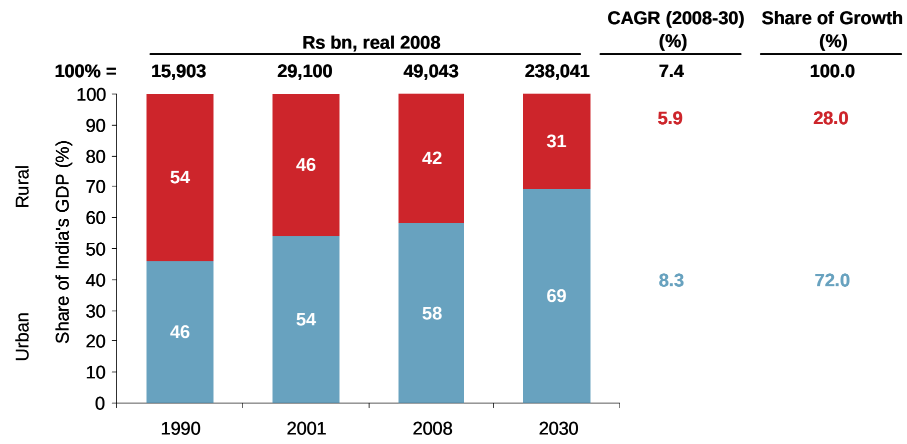
As per the McKinsey Report 2010, by 2030, Indian cities are likely to house 40% of India's population and account for 69% of India's GDP, as compared to 30% of India's population and 58% of India's GDP in 2008. Set forth below is a chart showing the urbanisation rate in the years indicated below.



Source: McKinsey Report 2010

**Defined as the ratio of urban to total population based on the census definition of urban areas (population >5,000; density >400 persons per square kilometer; 75% of male workers in nonagricultural sectors; and statutory urban areas).*

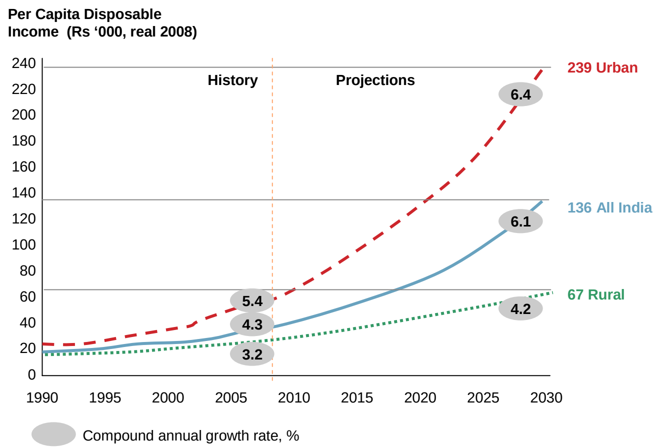
According to the McKinsey Report 2010, urban areas will account for nearly 70% of India's GDP by 2030. Set forth below is a chart showing India's GDP split between rural and urban areas in the years indicated below.



Source: McKinsey Report 2010

Rising Income Levels

According to the McKinsey Report 2010, urban India will experience a nearly fourfold increase in the per capita disposable income in the period from 2008 to 2030. Set forth below is a chart showing the compound annual growth rate in the period from 1990 to 2030.



Source: McKinsey Report 2010

Key Challenges in the Food Services Industry

Poor infrastructure

Poor core infrastructure including the high costs and irregular supply of electricity as well as construction adversely impact the food services industry *(Source: NRAI Report 2010)*. Though India is the second largest producer of fruits and vegetables, it has a very limited integrated cold-chain infrastructure *(Source: Discussion Paper on Foreign Direct Investment in Multi-Brand Retailing available at http://dipp.nic.in)*. Infrastructure bottlenecks include the general unavailability of warehousing, integrated processing units and supply chain solutions *(Source: Technopak Report 2009)*.

Demand-related challenges

The Indian consumption market is characterised by conservatism among consumers. In times of economic slowdown, the frequency of visits as well as amounts customers are willing to spend decreases *(Source: NRAI Report 2010)*.

In addition, vegetarian and non-vegetarian consumers tend to self-segregate, and many vegetarian consumers do not visit non-vegetarian restaurants *(Source: NRAI Report 2010)*.

Government policies

License requirements in the Indian food services industry are burdensome. License requirements vary among states and there are over 10 basic licenses that need to be renewed every one to three years *(Source: Technopak Report 2009)*. Antiquated systems, procedures and regulations within government agencies as well as the imbalance of power between the agencies have impeded growth in the food services industry *(Source: India Retail Report 2009)*.

OUR BUSINESS

Our ability to successfully implement the business strategy, growth and expansion plans may be affected by various factors. The business overview, strengths and strategies must be read along with the risk factors provided in the section "Risk Factors" on page 13 of this Red Herring Prospectus.

Overview

We are a fine dining operator in India, with 69 restaurants and 13 confectionaries as of February 29, 2012, featuring certain well recognised brands in the Indian restaurant industry. We focus on providing our guests an affordable fine dining experience with quality food and service in a modern ambience.

Our Promoters launched the first restaurant of our restaurant network in 1992 under the name *Only Fish*, which was later renamed *Oh! Calcutta* in 1996. In 1994, our Promoters launched the first *Mainland China* restaurant in Mumbai. Our Company was incorporated on December 1, 1999, and acquired from our Promoters, the then existing two *Mainland China* restaurants in April 2002, for a consideration of Rs. 0.75 million and Rs. 4.70 million, and one *Oh! Calcutta* restaurant in April 2005 for a consideration of Rs. 0.21 million. Over the years, we have grown our restaurant business and brands and as of February 29, 2012, our network comprised 82 restaurants and confectionaries collectively, located in 21 cities in India and one city in Bangladesh. As of February 29, 2012, we owned and operated 49 restaurants ("company owned and operated restaurants") and 13 confectionaries and had franchise arrangements for the other 20 restaurants ("franchise restaurants") which are owned by franchisees but operated by us. In Fiscal Year 2011 and the nine months ended December 31, 2011, the number of guests served at our company owned and operated restaurants was approximately 2.59 million and 2.09 million, or, on average over 7,313 and 8,127 guests each day, respectively.

Our restaurants consist of different restaurant concepts and are located across India, particularly in the western region. Our flagship brand is *Mainland China* which serves Chinese cuisine in a standalone fine dining setting. Chinese cuisine is the most popular foreign cuisine in India according to the India Retail Report 2009. As of February 29, 2012, our *Mainland China* brand encompassed 36 restaurants across India as well as one in Bangladesh. Our *Mainland China* restaurants contributed 53.27%, 57.03%, 60.28% and 61.13% to our total revenues from food and beverages in Fiscal Years 2009, 2010, 2011 and the nine months ended December 31, 2011, respectively. Our other core brand, *Oh! Calcutta*, encompassed seven restaurants across India as well as one in Bangladesh as of February 29, 2012 and features a range of cuisines from the east Indian city of Kolkata, including Bengali, Nawabi, British and Continental cuisines served in a fine dining setting. Our other restaurant brands are *Sigree*, *Flame & Grill*, *Haka*, *Just Biryani*, *KIBBEH, Kix*, *Machaan, Shack*, as well as a confectionary brand, *Sweet Bengal*.

We believe that the following four factors contribute to the quality of the food that we offer: quality fresh ingredients, modern food preparation and storage equipment, standardised recipes prepared by trained chefs, and effective quality monitoring. We purchase ingredients from suppliers selected based not only on the quality of their ingredients but also their experience and understanding of our business and requirements, particularly in relation to the challenges and complexities relating to the seasonal availability of such ingredients and related price variations. We use modern food preparation and storage equipment in order to prepare and store our food in stable temperatures which helps enhance flavours of spices and condiments while maintaining freshness and nutrition. Our chefs prepare dishes from standardised recipes to facilitate the maintenance of consistency in taste and quality. We regularly perform internal and third-party audits to monitor the standards of our food quality.

Our Founder and Promoter, Anjan Chatterjee, and his spouse, Suchhanda Chatterjee, our other Promoter, hold in aggregate, 80.92% of the outstanding Equity Shares prior to the public offering. Our Founder and Promoter, is also the Managing Director of our Company as well as the vice president of the National Restaurants Association of India ("NRAI"). In addition, we have two investors: SAIF, a private equity investor and Glix Securities, a corporate investor. For details of their shareholding, see the section "Capital Structure—History of Equity and Preference Share Capital held by SAIF and Glix Securities in our Company" on page 74 of this Red Herring Prospectus.

We increased the number of company owned and operated restaurants from 30 as of March 31, 2008 to 45 as of March 31, 2011 and further to 49 as of February 29, 2012. We increased the number of franchise restaurants from one as of March 31, 2008 to 18 as of March 31, 2011 and further to 20 as of February 29, 2012. See Management's

Discussion and Analysis of Financial Conditions and Results of Operations—Significant Factors Affecting Results of Operations—Number of restaurants in operation" on page 225 of this Red Herring Prospectus. Our income from our operations increased from Rs. 518.95 million in Fiscal Year 2007 to Rs. 1,729.57 million in Fiscal Year 2011 at a CAGR of 35.11%. Our net profit after tax increased from Rs. 31.20 million in Fiscal Year 2007 to Rs. 156.28 million in Fiscal Year 2011 at a CAGR of 49.60%. Our income from our operations and net profit after tax for the nine months ended December 31, 2011 were Rs. 1,497.28 million and Rs. 153.44 million, respectively.

Competitive Strengths

We believe the following strengths have contributed to our success and will continue to be competitive advantages for us, supporting our strategy and contributing to improvements in our financial performance.

A leading portfolio of core brands including our flagship brand, Mainland China

We believe that our core brands, *Mainland China* and *Oh! Calcutta* (the "Core Brands") are well recognised fine dining brands in India. Our *Mainland China* and *Oh! Calcutta* brands have had a presence for over 17 years in an industry characterised by high brand mortality. Our Core Brands have won multiple awards in India. In 2011, our *Mainland China* restaurants won the Golden Spoon Award for the most admired food service retailer of the year for dine-in international cuisine. In 2010, 2011 and 2012 our *Mainland China* and *Oh! Calcutta* restaurants won the Times Good Food Awards in several cities for being the best Chinese and Bengali cuisine restaurants, respectively. In addition, some of our *Mainland China* restaurants and *Oh! Calcutta* restaurant in Mumbai, Bengaluru and Kolkata were listed on the Miele Guide 2010/2011 list of Asia's finest restaurants. We also currently own nine other brands, each of which we have either established and developed or acquired from our Promoters or Directors. Our Company currently owns all the interest of our Promoters and Directors in the restaurant business.

We have historically concentrated our efforts on our Core Brands, each of which we believe enjoys brand recognition in India. *Mainland China* is our flagship brand, contributing to 60.28% and 61.13% of our total revenues from food and beverages in Fiscal Year 2011 and in the nine months ended December 31, 2011, respectively. We believe that brand awareness of *Mainland China* has strengthened in the last two years partially as a result of our effective marketing efforts, such as our television advertising campaign with Pepsi Foods Private Limited ("Pepsi") both to promote new menu offerings and to build the image of our *Mainland China* brand. In addition, we have been engaged by Random House Publishers India Pvt. Ltd., the Indian arm of an international publishing house, to prepare a Chinese cookbook, the *Mainland China Cookbook.* The cookbook is currently being marketed in India and we expect it to enhance brand affinity for *Mainland China*.

The main contributor to the brand affinity of our Core Brands has been word of mouth referrals by our guests. Based on the experience in our restaurants, our quality dishes at affordable prices, the contemporary sophistication of our restaurants and the personal and attentive service of our staff, we enjoy frequent visits by many of our repeat guests. Some of our guests have devoted time to write positive reviews of our restaurants on online discussion boards and food-related web logs. The support of our guests has in turn helped us attract new guests and build a market reputation for our affordable fine dining offerings that fit into the fast-paced lifestyles of Middle Class families in India. Consequently, we have retained a strong market position and are able to expand across India in an industry that is fragmented and highly competitive. For Fiscal Year 2011 and the nine months ended December 31, 2011, the guests served in our *Mainland China* company owned and operated restaurants were approximately 4,361 and 5,196 per day with a cover turnaround (per day) of approximately 1.55 and 1.65 times, respectively. For Fiscal Year 2011 and nine months ended December 31. 2011, guests served in our *Oh! Calcutta* company owned and operated restaurants were approximately 677 and 701 per day with a cover turnaround (per day) of approximately 1.01 and 1.09 times, respectively.

Focus on guest needs

Our founding principle is based on the traditional Indian principle of *Atithi Devo Bhava*, or *Guest is God*. Together with our Promoters, we have amassed over 19 years of experience in catering to guest tastes and preferences in India which has provided us with knowledge of the expectations of the Indian guest. We strive to build a loyal base of guests through our quality dishes and guest-focused service. Based on our experience, we carefully design and adjust our menus to suit what we believe are the tastes and preferences of our target guests. For example, in developing and maintaining the *Mainland China* menu, certain of our personnel, including our Managing Director, travel to China from time to time to study local Chinese cuisines and subsequently, adopt the dishes that we expect will suit popular guest tastes in India. Certain of our personnel have also visited Buddhist vegetarian restaurants in China to develop a selection of vegetarian offerings to cater to the Indian vegetarian population. So as to maintain the authenticity of our offerings, we purchase certain cooking equipment and sauces imported from China by a domestic third party supplier. From time to time, we invite chefs from China to visit our restaurants to train our chefs and to introduce new items into our menus. Our innovation and adjustments assist in retaining our competitiveness, maintenance of our repeat guest base and attraction of new guests.

At our restaurants, we are guest-focused and aim to inculcate a service mindset in our staff. At the restaurant level, we train our staff at all levels, from our waiting staff to the security and valet, to be attentive to guest needs. At the corporate level, we actively manage our service standards with our strong emphasis on guest reviews and feedback, which we encourage from our guests by including a comment card with each of our bills. We require our restaurant staff to communicate any adverse comments requiring corrective action to the director of operations within 12 hours of receipt of such comments. The director of operations, together with our guest relations team, then investigates the adverse comments with an aim to respond to the guest within 24 hours. Such cases are also reported to our Managing Director. We receive all remaining comment cards on a weekly basis, which our guest relations team reviews to increase our understanding of guest needs.

To promote guest loyalty, we launched our loyalty programme, *Speciality Preferred*, in 2008, which had over 95,000 members as of February 29, 2012. Our guest relations team regularly tracks restaurant patronage by our *Speciality Preferred* members. We also offer regular promotions to our *Speciality Preferred* members to encourage interactivity aimed at building long-term relationships with such guests.

Experienced Founder and Promoter, management team and dedicated staff

Our Founder and Promoter has first-hand knowledge of and experience of working in fine dining restaurants, having obtained a diploma in hotel management in 1982 from the State Council of Engineering and Technical Education, West Bengal, and having trained as a management trainee at a leading five star hotel in India. Our Founder and Promoter brought his core values from his experiences to the operation of our restaurant network.

Similarly, our management team also has knowledge of and experience in the Indian restaurant industry, as we have recruited most of our management team from established five star hotels in India. Our management team's experience provides us with the skills required to implement our corporate practices and growth strategies. Many of our key managers have been involved in the development of our business since its inception, including those who received training with us.

To assist our management, we have a dedicated team of staff across our network of company owned and operated and franchise restaurants. Our staff is a critical link to our guests and we seek to develop skills that can enhance their work experience by providing training as well as appropriate recognition. We place strong emphasis on instilling our core values in each of our staff. When we open new restaurants, we generally transfer staff from existing restaurants to our new restaurants to facilitate the transfer of our core values to the new restaurant operations. In addition, we emphasise organic growth, having promoted a number of our staff who joined our Company as trainees to chefs or management ranks based on their performance which we believe is a motivating factor towards continued staff engagement. We have also provided restaurant managers with authority in certain matters such as regular restaurant maintenance in the interest of maintaining brand standards. Our efforts are geared towards aligning the goals of our staff with our vision of strengthening staff engagement. We also emphasise staff welfare including offering our staff regular training and skill enhancement, free meals, housing facilities, transportation to and from work and annual bonuses. In addition, we decided not to implement staff redundancy measures during the recent economic downturn which we believe has led to an increase in our staff retention rates.

Diversified business model

Each of our brands has a distinctive appeal. Although several of our brands serve broadly the same demographic profile of guests, each offers a unique dining experience. For instance, *Mainland China* offers authentic Chinese cuisine, *Oh! Calcutta* offers diverse cuisines traditionally found in the east Indian city of Kolkata and *Sigree* offers authentic Indian cuisine slow cooked over a charcoal flame. From time to time, we also introduce new brand concepts serving food in different formats, such as *Flame & Grill* which serves kebabs grilled at the table, *Machaan* which offers traditional Indian dishes and dishes for children in a tropical theme ambience and *KIBBEH* which offers Lebanese cuisine in a bar lounge format.

As of February 29, 2012, we also have eight joint brand locations divided between four combos where two branded restaurants are co-located ("Combos") and four multibrands where more than two branded restaurants are co-located ("Multibrands"), typically combining an established brand, such as Mainland China, with a newer brand. Our Combos and Multibrands provide us with operational synergies by offering a combination of our branded restaurants in one location with a common kitchen, back-of-the-house operations, management and staff. In addition, our Combos and Multibrands allow us to leverage the popularity of our Mainland China brand to promote newer brands.

In future, we may also develop additional brands to cater to different segments of the population. For example, we plan to develop an all day Italian café concept to cater to the 18 to 30 age group. In 2011, the Indian population was expected to include more than 220 million persons in the 20 - 29 age group *(Source: Population Projections for India and States 2001 – 2026, Report of the Technical Group on Population Projections constituted by the National Commission on Population, May 2006)*. This will promote further diversification of our guest base as our current brands are targeted at guests who mainly visit our restaurants for formal meals with family, colleagues and business partners. We plan to target our Italian café concept at the 18 to 30 age group, which we expect will visit our café for coffee and snacks as well as affordable informal meals.

Strategic locations

We have strategically-located restaurants across 21 cities in India and one city in Bangladesh as of February 29, 2012. Among these, our flagship *Mainland China* restaurants are located in all 22 cities in which we operate. In most cities we operate in, we implemented a modern fine dining format and modern service standards outside the five-star hotel setting that we believe has assisted us in creating a base of loyal guests. Our restaurant location portfolio consists of quality sites, located in business districts, neighbourhoods and high streets, each of which we believe has guest traffic. Our mix of locations, including both geographic spread and location type, leads to guest diversification.

Most of our restaurants, and particularly our *Mainland China* restaurants, are located in Metros and Tier I cities. The majority of our restaurants are located in western India which, according to the NRAI Report 2010, has the highest proportion of people dining out regularly. In Fiscal Year 2011 and nine months ended December 31, 2011, 39.07% and 40.67% of our total revenues from food and beverages were attributable to our restaurants in western India, respectively. As of March 31, 2007, 2008, 2009, 2010 and 2011, we had 17, 40, 52, 63, and 74 restaurants and confectionaries, in 7, 9, 11, 15 and 18 cities, respectively, in India and Bangladesh, collectively. As of February 29, 2012, we had 82 restaurants and confectionaries in 22 cities (21 cities in India and one in Bangladesh). We opened our first restaurant outside India in February 2010, a *Mainland China* franchise restaurant in Dhaka, Bangladesh. In February 2011, we opened our second restaurant outside India, an *Oh! Calcutta* franchise restaurant in Dhaka, Bangladesh. Creating this network has provided us with important practical experience on which to draw on as we explore further expansion.

We also believe that our strong presence in the Indian market positions us to capitalise on the anticipated growth in consumer spending from expected increases in the level of disposable income of guests in India. In addition, starting from the commencement of our first franchise arrangement in early 2008, we have created a framework for franchising our brands, including, *Mainland China*, *Machaan* and *Flame & Grill* through which we access certain Tier I and Tier II cities. We control the quality of our food and service in our franchise restaurants by following the franchisee owned, company operated ("FOCO") model, which allows us to control substantially all aspects of the franchise restaurant operations. Using our internally developed systems, we attract, retain and support franchisees in the Indian market.

We are continuing to expand in Metros and Tier I cities and selectively, in Tier II cities. We intend to continue to roll-out primarily company owned and operated and opportunistically, franchise operations across India and in certain international destinations.

Robust processes and scalable model

We benefit from strong processes established over the past 12 years of our Company's operations. We have incorporated the following processes into our operations strategies:

- Quality control: We place considerable emphasis on ensuring that we procure high-quality raw materials and equipment, enabling us to provide quality products to our guests. We centrally control the supplier selection process to promote consistent quality and timely delivery of raw materials to our restaurants.

- Brand standards: Our brand building and operational standards for each brand are controlled centrally to promote consistent food quality and service standards throughout our network of restaurants. We have an established framework of approved strategies and plans, uniform policies and centralised support in key areas such as operations, marketing, finance, human resources, information technology, accounting and reporting. Where we enter into franchise arrangements with partners, we retain control of most operational factors from site selection and restaurant layout to the daily operations of the restaurants.

- Operations monitoring: Our operational results are monitored using specific operational and financial Key Performance Indicators (the "KPIs") at restaurant, brand and senior management levels. We use our KPIs to check that our restaurants are operating efficiently and minimising wastage.

- Food and service audits: We conduct regular audits to check our food quality and service standards. Internal audits are aimed mainly at checking our food quality. Our corporate chef makes annual visits to restaurants in each of the 22 cities in which we operate. To further enhance our hygiene and safety controls at our restaurants, in September 2010, we recruited an additional corporate chef with 10 years of experience with inflight catering. Our corporate chefs are supported by a team of six brand chefs for certain of our key brands, two senior chefs and eight city chefs who visit our restaurants regularly. On average, such visits are made once a month to each restaurant (company owned and operated and franchise) in our network. Additional third-party anonymous audits are aimed mainly at checking our service standards in the dining areas and kitchen operations. Our anonymous 'special purpose hygiene auditors' provide our corporate office with feedback on our restaurants based on agreed standards. Any lapses are immediately made known to our corporate management and rectified.

Our process-oriented delivery model increases the institutionalisation of our standards, enabling us to have consistent brand standards across each of our brands, which we believe promotes guest satisfaction.

In addition, we incorporate the following processes into our development strategies when developing new restaurants:

- Site selection: We have developed site selection processes based on our experience enhanced by our local knowledge that enables us to evaluate multiple factors including guest traffic, sales generators, market conditions and investment costs analysis.

- New restaurant development: We follow a disciplined and systematic expansion process with respect to our new restaurants. We have dedicated internal project teams to implement our corporate guidelines in respect of the design and layout of each new restaurant and these teams are assisted by third-party architects and consultants.

Strong financial position and profitability

As of March 31, 2011 and December 31, 2011, we had Rs. 47.81 million and Rs. 80.08 million of cash and cash equivalents and secured borrowings of Rs. 138.90 million and Rs. 260.02 million, respectively. We believe that our strong financial position and capital structure will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the Indian restaurant market. In addition, we follow an "asset light model" as we lease all of the properties occupied by our company owned and operated restaurants, which allows us to optimise our capital for growth.

We have been actively expanding for the past 12 years and have a consistent track record of profitable growth. In Fiscal Years 2010 and 2011, our cash flows used in investing activities for the purchase of fixed assets of Rs. 146.43 million and Rs. 141.05 million, the majority of which was used for the development of new company owned and operated restaurants. In Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, we made profit before tax of Rs. 100.34 million, Rs. 163.88 million, Rs. 234.88 million and Rs. 224.57 million, respectively.

Business Strategy

Leverage our flagship Mainland China brand while selectively expanding into existing and new markets

We plan to leverage the brand equity enjoyed by our flagship brand, *Mainland China,* using our existing restaurant formats while selectively expanding within our existing markets and into new markets. One of the criteria we look for when identifying sites to expand our *Mainland China* brand is high consumer traffic, including sites within shopping areas, entertainment centres and office complexes, similar to our existing locations. In addition, we aim to continue to build our *Mainland China* brand and enhance our reputation in the Indian fine dining industry by employing consumer relevant and innovative marketing strategies. We plan to increasingly focus on promoting our *Mainland China* brand in India as an affordable, fine dining option for consumers.

We are also seeking to expand new restaurant formats such as Combos and Multibrands. We plan to leverage on our *Mainland China* brand name in establishing joint brand restaurants where we combine *Mainland China* with other branded restaurants. We intend to grow our Combos and Multibrands typically including a *Sigree*, *Flame & Grill* and/or a *KIBBEH* alongside a *Mainland China* restaurant, allowing us to leverage *Mainland China's* popularity to promote our other brand names. We believe these strategies, when coupled with our existing scale and brand awareness, will allow us to further consolidate our market share in the Indian fine dining business.

We target our expansion plans at meeting the growing demand for fine dining options from Middle Class segments of the Indian population. This demand is further fuelled by the increasing number of nuclear families and the fast-paced lifestyles of Middle Class working people. Such guests were first apparent in the Metros and Tier I cities and expansion in such markets has been a priority for us. When we expand, we seek to emulate the leadership position we have in the Metros and Tier I cities by addressing the needs of the growing and wealthier Middle Class segments that demand a variety of consistent and high quality fine dining experiences at affordable prices. As of February 29, 2012, over 70% of our company owned and operated and franchise restaurants in India were located in the Metros and Tier I cities, and we plan to continue to seek appropriate new locations in such cities, especially in high-traffic cities. We do not view the Metros and Tier I as saturated, and we expect the increasing population of the middle-class coupled with the increasing proportion of the population living in urban centres to lead to an increase in dining out as a lifestyle choice (Source: NRAI Report 2010 and India Retail Report 2009).

We also plan to further expand selectively into Tier II cities through new company owned and operated restaurants or opportunistically, through franchise restaurants.

Developing new restaurant concepts focused on new demographic segments

As we grow, we plan to maintain a tight basket of brands with a focus on our *Mainland China* brand, while targeting a few new market segments in a measured and disciplined way subject to market conditions. In addition, in order to address differences in guests' spending patterns, tastes and dining preferences in various regions throughout India, our business development team may introduce new products and brands to adapt to dining trends, shifts in guest spending and tastes and nutrition preferences of our targeted guest groups. For example, in May 2010, we introduced a bar lounge serving Lebanese cuisine under the *KIBBEH* brand to cater to the demand from Indian consumers for newer niche cuisine (*Source: NRAI Report 2010*). We are also planning to develop additional brands to cater to different segments of the population in the future. For example, we plan to develop an all day Italian café concept to cater to the 18 to 30 age group. In 2011, the Indian population is expected to include approximately 220 million persons in the 20 – 29 age group *(Source: Population Projections for India and States 2001 – 2026 Report of the Technical Group on Population Projections constituted by the National Commission on Population May, 2006).*

Continuing to expand mainly through ownership and selectively through franchising

A vital part of our value is our portfolio comprising some of the well known fine dining brands in India. We have built and maintained our portfolio by focusing on quality food and guest-focused service across our network of restaurants. In order to maintain and increase our growth, we seek to expand mainly through ownership and opportunistically through franchising on a FOCO model. We follow strict criteria for choosing partners in FOCO restaurants and have been using our internally developed systems to attract, retain and support franchisees in the Indian market. Our FOCO model allows us to control critical aspects of our business including food quality and guest attention. It also facilitates the appropriate implementation of the experience we and our Promoters have gained over the past 18 years in the fine dining restaurant industry in India. As of February 29, 2012, we had 69 restaurants, comprising 49 company owned and operated restaurants and 20 FOCO restaurants. Our FOCO model allows us to enter and operate in markets which we may not otherwise exploit, particularly in Tier II cities, while ensuring consistent food quality and service across our network of restaurants.

Continue improving profitability and economies of scale

We seek to improve our profitability and economies of scale through a steady focus on the following areas:

- Central manufacturing of non-perishable inputs: We plan to increase our gross margins by evaluating the use of supply-outsourcing opportunities that increase productivity, such as through the use of regional commissaries operated by us for certain company owned and operated restaurant brands which prepare bulk items such as soups and sauces for our company owned and operated restaurants. This could also lead to a decrease in the required kitchen space, thereby reducing lease costs for our new restaurants and increasing the table space at our existing company owned and operated restaurants.

- Joint brand locations: We have developed eight joint brand locations (Combos and Multibrands) in six cities in India as at February 29, 2012 and aim to expand the number of locations. In light of the resources shared between the restaurants comprising Combos and Multibrands, such locations may provide higher returns on investment, a higher percentage of space for guest seating, reduced labour costs for each restaurant sharing the location and competitive lease negotiations due to the increased size of total space.

- Expanding presence in existing cities: When we enter a new geographic market, our goal is to open multiple restaurants to achieve meaningful market share, local recognition of our key brands, critical mass and economies of scale, while at the same time ensuring consistency in the quality of our foods and services. Once we achieve adequate scale of operations in a particular city, we seek to leverage our brand to expand into nearby markets. In the future, we may also expand through strategic alliances, joint ventures or acquisitions. In addition, we intend to set up a catering college at Bidhan Nagar, Kolkata, on land which has been leased to us by the Government of the State of West Bengal. In December 2010, we entered into a construction contract for the construction of the catering college and commenced construction of the college building. We have completed part of the construction of the college building and plan to commence operations in August 2012. We believe the catering college will facilitate backward integration by providing us with a source for our manpower needs as we expand our company owned and operated restaurants.

- Optimise logistics: As our restaurant network expands and we develop more restaurants in existing and new geographic markets, we plan to optimise our logistics in order to streamline our supply chain, increase inventory turnover and reduce waste. For example, we intend to expand our supplier base to include a greater number of large suppliers as we believe using larger suppliers will lead to economies of scale and streamlined quality assurance mechanisms. In cities and regions where we have a sufficient number of company owned and operated restaurants, we also intend to purchase certain raw materials in bulk, which we will store in storehouses.

- Revenue sharing leases: As we expand our restaurant network, we plan to manage our expenses more efficiently by entering into a greater number of revenue sharing leases. Such leases typically have a minimum guarantee with an additional portion on a variable rental basis tied to percentage of sales. As of February 29, 2012, 16 of the leases relating to our company owned and operated restaurants and five of the leases relating to our confectionaries, were on a variable rental basis, some of which had a minimum guarantee, and we intend to enter into a greater number of such leases in the future.

Restaurants

As of February 29, 2012, we operated 69 restaurants and 13 confectionaries. Of the 69 restaurants, 71.0%, or 49 restaurants, are company owned and operated restaurants and 29.0%, or 20 restaurants, are franchise restaurants. All of our confectionaries are company operated. Company owned and operated restaurants and confectionaries are the restaurants and confectionaries that we own and operate. Franchise restaurants are restaurants owned by independent individuals or entities and operated by us under the FOCO model. The following map shows the location and number of our restaurants and confectionaries in India as of February 29, 2012. In addition as of February 29, 2012, we had two franchise restaurants located in Dhaka, Bangladesh.

The following table shows our existing restaurants and our confectionary by brand as of February 29, 2012. For updates on our restaurants and confectionaries following February 29, 2012, see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 225 of this Red Herring Prospectus.

	Company owned and operated Restaurants/ Confectionaries	Franchise Restaurants	Total
Mainland China	24	13	37
Oh! Calcutta	7	1	8
Sigree	4	–	4
Haka	3	–	3
Machaan	2	4	6
Flame & Grill	5	2	7

	Company owned and operated Restaurants/ Confectionaries	Franchise Restaurants	Total
Kix	1	–	1
Just Biryani	1	–	1
KIBBEH	1	–	1
Shack	1	–	1
Subtotal	**49**	**20**	**69**
Sweet Bengal confectionary	13	–	13
Total	**62**	**20**	**82**

The following table shows the historical growth in number of all our restaurants, including franchisee restaurants and our confectionary, where applicable, as of March 31 of the past five Fiscal Years and as of February 29, 2012. For updates on our restaurants and confectionaries following February 29, 2012, see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 225 of this Red Herring Prospectus.

	March 31,										**February 29,**	
	2007		**2008**		**2009**		**2010**		**2011**		**2012**	
	All	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**
Mainland China	9	–	13	1	17	2	26	8	30	11	37	13
Oh! Calcutta	4	–	4	–	7	–	7	–	8	1	8	1
Haka	1	–	6	–	7	–	4	–	4	–	3	–
Sigree	2	–	3	–	4	–	4	–	4	–	4	–
Flame & Grill	–	–	1	–	1	–	4	1	7	2	7	2
Machaan	–	–	1	–	2	–	4	2	6	4	6	4
Shack	–	–	–	–	1	–	1	–	1	–	1	–
Kix	1	–	2	–	1	–	1	–	1	–	1	–
KIBBEH	–	–	–	–	–	–	–	–	1	–	1	–
Just Biryani	–	–	1	–	1	–	1	–	1	–	1	–
IVY	–	–	–	–	1	–	–	–	–	–	–	–
Kiosks in certain food courts	–	–	–	–	–(4)	–	–	–	–	–	–	–
Subtotal	**17**(1)	**–**	**31**(2)	**1**	**42**(5)	**2**	**52**(7)	**11**	**63**(9)	**18**	**69**(11)	**20**
Sweet Bengal	–	–	9(3)	–	10(6)	–	11(8)	–	11(10)	–	13(12)	–
Total	**17**	**–**	**40**	**1**	**52**	**2**	**63**	**11**	**74**	**18**	**82**	**20**

Notes:

(1) In Fiscal Year 2007, we opened six company owned and operated restaurants.

(2) In Fiscal Year 2008, we opened 14 restaurants (13 company owned and operated and one franchise).

(3) In Fiscal Year 2008, we acquired nine Sweet Bengal confectionaries.

(4) We opened kiosks in a food court in Kolkata in Fiscal Year 2009, all of which were closed within the same Fiscal Year.

(5) In Fiscal Year 2009, we opened 14 restaurants (13 company owned and operated and one franchise) and closed three company owned and operated restaurants.

(6) In Fiscal Year 2009, we opened one Sweet Bengal confectionary.

(7) In Fiscal Year 2010, we opened 16 restaurants (seven company owned and operated and nine franchise) and closed six company owned and operated restaurants.

(8) In Fiscal Year 2010, we opened one Sweet Bengal confectionary.

(9) In Fiscal Year 2011, we opened 11 restaurants (four company owned and operated and seven franchise).

(10) In Fiscal Year 2011, we opened three Sweet Bengal confectionaries and closed three Sweet Bengal confectionaries.

(11) In the eleven months ended February 29, 2012, we opened ten restaurants (eight company owned and operated and two franchise) and closed four company owned and operated restaurants.

(12) In the eleven months ended February 29, 2012, we opened three Sweet Bengal confectionaries and closed one Sweet Bengal confectionary.

Core Brands

Set forth below is a discussion of our Core Brands:

Mainland China

Our Promoters opened their first restaurant under the *Mainland China* flagship brand in 1994 in Mumbai. They grew the network of *Mainland China* restaurants to two as of April 1, 2002, on which date we acquired both the *Mainland China* restaurants. Over the years, we have grown our *Mainland China* restaurant network and as of February 29, 2012, we had 37 *Mainland China* restaurants in 22 cities (21 cities in India and one in Bangladesh), of which 24 are company owned and operated restaurants and 13 are franchise restaurants. *Mainland China's* menu features authentic Chinese cuisine embracing the principle of "harmony in contrast," which stems from the Chinese concept of yin and yang. This concept is reflected in the cooking by combining contrasting flavours such as sweet and bitter and sweet and spicy. Each entrée on our *Mainland China* menu is designed to embody authentic Chinese cuisine and is prepared with sauces made from our recipes which are combined with ingredients sourced from our local and national network of suppliers. Certain ingredients for some of our sauces are imported from China by a local third party supplier in Mumbai from whom we purchase such ingredients. The ambience at each *Mainland China* restaurant is created using earth tones, minimalist décor and soft lighting to contribute to a soothing and comfortable ambience. In addition to regular patronage, *Mainland China* restaurants are also used for special occasions, such as celebratory social functions.

Guests served at our company owned and operated *Mainland China* restaurants in Fiscal Year 2011 and the nine months ended December 31, 2011 were approximately 1.54 million and 1.30 million, and cover turnaround (per day) for the same period was 1.55 and 1.65 times, respectively. Each *Mainland China* restaurant is typically 4,000 to 6,000 square feet with covers of 86 to 228. APC at our company owned and operated *Mainland China* restaurants ranges between Rs. 410 and Rs. 880 per meal. Average time spent by a guest in such restaurants is over an hour. Revenue from our *Mainland China* brand comprised 60.28% and 61.13% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended December 31, 2011.

The following table shows the historical growth of our *Mainland China* restaurants, including franchisee restaurants where applicable, by cities as of March 31 for the past five Fiscal Years and as of February 29, 2012. For updates on our restaurants and confectionaries following February 29, 2012, see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 225 of this Red Herring Prospectus.

	March 31,										**February 29,**	
	2007		**2008**		**2009**		**2010**		**2011**		**2012**	
	All	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**	**All**	**Fran.**
Mumbai	2	–	2	–	3	–	5	–	6	–	7	–
Bengaluru	1	–	2	–	2	–	2	–	2	–	4	–
Delhi	1	–	1	–	2	–	3	–	3	–	1	–
Hyderabad	1	–	1	–	1	–	1	–	1	–	2	–
Pune	2	–	2	–	2	–	2	–	2	–	2	–
Kolkata	1	–	2	–	3	–	3	–	3	–	3	–
Bhubaneshwar	–	–	–	–	–	–	1	1	1	1	1	1
Nashik	–	–	–	–	1	1	1	1	1	1	1	1
Guwahati	–	–	1	1	1	1	1	1	1	1	1	1

	March 31,										February 29,	
	2007		2008		2009		2010		2011		2012	
	All	Fran.	All	Fran.	All	Fran.	All	Fran.	All	Fran.	All	Fran.
Surat	–	–	–	–	–	–	–	–	1	1	1	1
Baroda	–	–	–	–	–	–	1	1	1	1	1	1
Ahmedabad	–	–	–	–	–	–	1	1	1	1	1	1
Chandigarh	–	–	–	–	–	–	1	1	1	1	1	1
Ludhiana	–	–	–	–	–	–	–	–	1	1	1	1
Gurgaon	–	–	1	–	1	–	1	–	1	–	1	–
Chennai	1	–	1	–	1	–	2	1	2	1	3	1
Lucknow	–	–	–	–	–	–	–	–	1	1	1	1
Dhaka	–	–	–	–	–	–	1	1	1	1	1	1
Aurangabad	–	–	–	–	–	–	–	–	–	–	1	–
Kochi	–	–	–	–	–	–	–	–	–	–	1	–
Manglore	–	–	–	–	–	–	–	–	–	–	1	1
Durgapur	–	–	–	–	–	–	–	–	–	–	1	1
Total	**9**	**–**	**13**	**1**	**17**	**2**	**26**	**8**	**30**	**11**	**37**	**13**

Oh! Calcutta

Our Promoters opened their first restaurant serving Bengali cuisine in 1992 in Mumbai under the brand name *Only Fish* which was re-branded as *Oh! Calcutta* in 1996 and acquired by our Company on April 1, 2005. Over the years, we have grown our *Oh! Calcutta* restaurant network and as of February 29, 2012, we had eight *Oh! Calcutta* restaurants in Mumbai, Kolkata, Pune, Bengaluru, Delhi and Dhaka, Bangladesh, of which seven are company owned and operated restaurants and one is a franchise restaurant. Our *Oh! Calcutta* menu features dishes from Kolkata, created through research in libraries and old British colonial clubs as well as old family recipes in Kolkata. Our menu combines light Bengali delicacies and Nawabi, British and Continental cuisines. The ambience at each *Oh! Calcutta* resembles a British colonial club in Kolkata, with nostalgic black and white pictures of films, books and artwork from that period. In addition to regular patronage, *Oh! Calcutta* restaurants are also used for special occasions, such as celebratory social functions.

Guests served at our company owned and operated *Oh! Calcutta* restaurants in Fiscal Year 2011 and the nine months ended December 31, 2011 were approximately 0.25 million and 0.19 million and cover turnaround (per day) for the same period was 1.01 and 1.09 times. Each *Oh! Calcutta* restaurant is typically 2,000 to 4,000 square feet with covers of 62 to 132. APC at our company owned and operated *Oh! Calcutta* restaurants ranges between Rs. 735 and Rs. 1,100 per meal. Average time spent by a guest in such restaurants is over an hour. Revenue from our *Oh! Calcutta* brand comprised 12.29% and 11.94% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended December 31, 2011, respectively.

Other Brands

Set forth below is a discussion of our other key brands:

Sigree

We opened our first restaurant under the *Sigree* brand in 2006 in Pune. As of February 29, 2012, we had four *Sigree* restaurants in Pune, Chennai, Kolkata and Hyderabad. The *Sigree* menu features fresh offerings such as kebabs slow cooked over a charcoal fire with spices capturing the flavours of northwest Indian cuisine. The ambience at *Sigree* restaurants is characterised by modern Indian décor in bronze and red colours.

Guests served at our company owned and operated *Sigree* restaurants in Fiscal Year 2011 and nine months ended December 31, 2011 were approximately 0.28 and 0.22 million and cover turnaround (per day) for the same period was 1.06 and 1.08 times, respectively. Each *Sigree* restaurant is typically 4,000 to 6,000 square feet with covers of 138 to 264. APC at our company owned and operated *Sigree* restaurants ranges between Rs. 525 and Rs. 645 per meal. Average time spent by a guest in such restaurants is over an hour. Revenue from our *Sigree* brand comprised 9.49% and 8.89% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended

December 31, 2011.

Haka

We opened our first restaurant under the *Haka* brand in 2006 in Kolkata. As of February 29, 2012, we had three *Haka* restaurants, of which two are in Kolkata and one is in Bhubneshwar. The *Haka* menu features modern Chinese cuisine ideal for guests on-the-go or grabbing a quick bite with small dishes including dim sum and other snacks typically found in modern Chinese casual diners in Hong Kong and Shanghai city streets. The contemporary ambience of each *Haka* restaurant is created by red walls and modern impressionist artwork. The design and construction at each *Haka* restaurant emphasises efficiency in layout and functionality. *Haka* is typically used by guests for a quick meal or a family outing and is often combined with other leisure activities such as shopping or the cinema.

Guests served at our company owned and operated *Haka* restaurants in Fiscal Year 2011 and nine months ended December 31, 2011 were approximately 0.22 million and 0.13 million and cover turnaround (per day) for the same period was 1.24 and 1.32 times, respectively. Each *Haka* restaurant is typically 1,500 to 3,000 square feet with covers of 75 to 168. APC at our company owned and operated *Haka* restaurants ranges between Rs. 250 and Rs. 350 per meal. Average time spent by a guest in such restaurants is less than an hour. Revenue from our *Haka* brand comprised 3.80% and 3.09% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended December 31, 2011, respectively.

Machaan

We opened our first restaurant under the *Machaan* brand in 2007 in Mumbai. As of February 29, 2012, we had six *Machaan* restaurants in Mumbai, Kolkata, Guwahati, Nashik, Ahmedabad and Surat, of which two are company owned and operated restaurants and four are franchise restaurants. The *Machaan* menu features both dishes for children and dishes that embrace traditional Indian methods of cooking to retain nutrition including delicately cooked vegetables and meats seasoned with local herbs and spices. The ambience at each *Machaan* is created by tropical themes and jungle motifs to appeal to children and families.

Guest served at our company owned and operated *Machaan* restaurants in Fiscal Year 2011 and nine months ended December 31, 2011 was approximately 0.14 million and 0.11 million and cover turnaround (per day) for the same period was 1.09 and 1.11 times, respectively. Each *Machaan* restaurant is typically 5,000 to 9,000 square feet with covers of 168 to 188. APC at our company owned and operated *Machaan* restaurants ranges between Rs. 550 and Rs. 570 per meal. Average time spent by a guest in such restaurants is over an hour. Revenue from our *Machaan* brand comprised 4.11% and 4.22% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended December 31, 2011, respectively.

Flame & Grill

We opened our first restaurant under the *Flame & Grill* brand in 2008 in Kolkata. As of February 29, 2012, we had seven *Flame & Grill* restaurants in Kolkata, Hyderabad, Nashik, Ludhiana, Aurangabad and Bengaluru, of which five are company owned and operated restaurants and two are franchise restaurants. The *Flame & Grill* menu features a wide array of kebabs which are seasoned with our recipes as starters as well as in fixed buffets. The ambience at each *Flame & Grill* is modern and vibrant with grills placed on each table, promoting interactivity while our guests grill their kebabs.

Guests served at our company owned and operated *Flame & Grill* restaurants in Fiscal Year 2011 and nine months ended December 31, 2011 were approximately 0.15 million and 0.13 million and cover turnaround (per day) for the same period was 0.89 and 0.90 times, respectively. Each *Flame & Grill* restaurant is typically 2,000 to 4,000 square feet with covers of 88 to 142. APC at our company owned and operated *Flame & Grill* restaurants ranges between Rs. 450 and Rs. 665 per meal. Average time spent by a guest in such restaurants is over an hour. Revenue from our *Flame & Grill* brand comprised 5.13% and 5.50% of our total revenues from food and beverages in Fiscal Year 2011 and nine months ended December 31, 2011, respectively.

Sweet Bengal

The first *Sweet Bengal* confectionary was opened by Indroneil Chatterjee-HUF, in 1996 in Mumbai and grew the network of *Sweet Bengal* confectionaries to nine as of October 1, 2007, on which date we acquired all *Sweet Bengal* confectionaries from Indroneil Chatterjee-HUF. As of February 29, 2012, we had 13 *Sweet Bengal* confectionaries across Mumbai. *Sweet Bengal* confectionaries feature Bengali sweets and snacks prepared in the *Sweet Bengal* factory by a team of chefs whom we recruited from West Bengal. *Sweet Bengal* also supplies sweets to certain of our restaurants in Mumbai.

On October 1, 2010, we acquired the *Sweet Bengal* factory from our Founder and Promoter for a consideration of Rs. 1.15 million. We do not believe that the acquisition of the *Sweet Bengal* factory is material to our consolidated revenues for Fiscal Years 2008, 2009, 2010 and 2011. See section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Basis of Presentation" on page 225 of this Red Herring Prospectus.

In addition to our Core Brands and our other key brands, we also have certain other brands as follows:

- *Kix*: We launched *Kix* in Fiscal Year 2007 as a bar featuring a dance floor and music targeted at the young professional segment of the Indian population.

- *Just Biryani*: We acquired *Just Biryani* from Indroneil Chatterjee, one of our Directors, in Fiscal Year 2007. It serves flavoured Indian rice preparations and is a take-away and delivery format restaurant.

- *Shack*: We launched *Shack* in Fiscal Year 2009 as a bar lounge with a beach theme targeted at the young professional segment of the Indian population.

- *KIBBEH*: We launched *KIBBEH* in May 2010 as a Lebanese bar lounge targeted at the young professional segment of the Indian population.

Branding

Effective branding is critical to our business success. Accordingly, we have cultivated our Core Brands and other key brands including, *Sigree*, *Machaan*, *Haka, Flame & Grill* and *Sweet Bengal*. Our branding model is based on three key factors that influence consumer preferences: quality food at affordable prices, fine-dining ambience and attentive service. Our marketing head, together with our Managing Director and our director of operations, manages our brand standards. Through a marketing and advertising services agreement, we engage a related party, Situations Advertising to implement our market research and advertising activities. For future details, see sections "Related Party Transactions", "Risk Factors—Internal Risk Factors—Our operating results depend on the effectiveness of our marketing and advertising programmes" and "—Our success depends heavily upon our Promoters, Promoter Group and Group Companies for their continuing services, certain key development and support activities and certain loans" on pages 166, 27 and 14, respectively, of this Red Herring Prospectus.

We centrally control our standards for the use of our brands in all aspects of our business, including menus (approved menu formats and product lists), use of brand identification elements (applicable to all materials), construction (design and building façade, "back-of-house" operations and "front-of-house" entryways) and service (all aspects of operations at all levels). We believe that each of our restaurants substantially conforms to its relevant brand image.

Restaurant Operations

Overview of Operations

Our management seeks to promote a culture of sharing information and ideas, with the aim of ensuring that we leverage our scale and adopt best practices across all of our brands. Our restaurant operations are standardised. For example:

- menu offerings for each brand and related restaurant concept are made from standardised recipes, making use of common ingredients, some of which are centrally contracted for delivery at our company owned and operated headquarters or at certain restaurant locations;

- common point-of-sale and back-office restaurant management IT systems are in place across each of our company owned and operated restaurants;
- each brand and related restaurant concept has standardised operational procedures and guidelines. These apply across all aspects of restaurant operations, including, for example, table layout, guest recognition, approach to taking orders and speed of service; and
- all restaurant personnel, including restaurant managers, waiting personnel and chefs, participate in training programmes directed at maintaining consistent service standards.

However, we do not allow our standardisation to compromise our quality, which is key to the growth of our business. As such, while we centralise sourcing and delivery of certain raw materials to facilitate quality control and increase efficiency, we source perishable products, such as vegetables and poultry, from local suppliers in each of the cities in which we operate to promote freshness and taste.

A substantial proportion of the financial and operational administration of our restaurants is borne centrally. Central support extends to most aspects of payroll, training, property management and supplier liaison, and gives restaurant managers more time to focus on guest service. Our internal server allows us to monitor daily revenues from our company owned and operated restaurants.

Our management is integrated at various levels to facilitate central control and support for each restaurant. Each restaurant has its own restaurant manager, and we have business managers covering various cities or regions within a city for each brand, depending on the density of the restaurants in a particular city or region. Business managers are typically former restaurant managers, and are therefore experienced in restaurant operation and management. In addition, we have two corporate chefs who are supported by a team of senior and city chefs to promote consistent quality of the food at each of our restaurants.

Restaurant Management

We employ a management structure designed to promote efficiency in supervising, directing and supporting our operations, quality assurance systems, recruitment process and training programmes in different regions and cities. We have put a management system in place comprising three levels: corporate-level management, regional- and city-level management and restaurant-level management.

Corporate-level management. The central management of our overall business and operations is currently located in our corporate headquarters in Mumbai. Our corporate headquarters are both responsible for the corporate and administrative management of our organisation and operational management and supervisions, such as financial planning and analysis, IT systems development, new restaurant openings, management-level recruitment, central procurement and sales and marketing.

Regional- and city-level management. We have city chefs and business and senior business managers in each of the cities in which we operate. We also have business managers covering certain regions within a city in certain areas with a sufficient number of restaurants. Each of our business and senior business managers cover five to six restaurants within their designated areas. Our business managers and city chefs are typically responsible for recommending any pricing variations in specific regions or restaurants for corporate approval, tracking and reporting competitor activity, proposing sites for new restaurants, reviewing applications for procurement from local suppliers, providing training to our staff and proposing regional-level or city-level marketing activities. In addition, our business and senior business managers coordinate with our corporate-level management on expense budgeting, staff appraisals, promotions and major maintenance and renovation works.

Restaurant-level management. Restaurant managers are responsible for the day-to-day operation of their respective restaurants, including hiring, training and scheduling personnel, financial management, food quality, guest service and purchasing of supplies. Restaurant managers also have the responsibility for the annual budget for their respective restaurants, which they set jointly with central support. The performance of restaurant managers is evaluated based on their ability to work within the designated budget and achieve year-on-year improvements in sales, profit and operating margins set by corporate-level management.

Restaurant management candidates are typically promoted from our existing personnel. All restaurant managers receive regular and centralised induction and training in basic management skills, food quality and production, financial literacy, labour management and standard operating procedures.

Other Restaurant Personnel

Each *Mainland China* and *Oh! Calcutta* restaurant has approximately 40 to 90 staff and 30 to 60 staff, respectively, comprising kitchen, waiting personnel and assistant managers. We plan for hiring at the corporate-level in conjunction with the various restaurant managers to promote optimum levels of restaurant personnel to deliver the required service and quality of food at the restaurants.

We seek to recognise staff members who show potential early and to train and promote staff within the organisation. Any restaurant staff member who demonstrates impressive performance results has opportunities to progress over time from a junior level staff member to a chef or restaurant manager, or senior position.

We also focus on improving our workforce to achieve the highest possible motivation of our staff. We provide our staff with both on-the-job training as well as periodic training rendered by external faculty. We also design our work space such that our staff have a comfortable and an effective layout to allow them to perform their work efficiently. Our staff benefits also include free meals, housing facilities, organisation of staff transportation and bonuses during festivals.

Guest Service

We are committed to delivering high quality service and dining experiences to our guests. We believe that there is a direct correlation between the quality of service and the long-term financial performance of our restaurants.

We undertake formal monitoring of restaurant personnel performance and service standards in a number of ways. We place a strong emphasis on guest reviews and feedback, which we obtain through our comment cards provided to each of our restaurant guests along with their bills, verbal feedback to any of our restaurant staff, reviews on online restaurant review websites like *BURRP!* and written or verbal feedback to our corporate headquarters in Mumbai. We strive to address any feedback requiring corrective action in the shortest period of time, typically under 24 hours. We have a dedicated guest relations team which typically contacts relevant guests promptly to first understand the nature of the feedback requiring corrective action, which is then escalated to the director of operations and, our Managing Director, for appropriate action with respect to the guests concerned and/or the restaurants themselves. In addition, we conduct regular third-party anonymous and internal audits to evaluate service levels both in the dining areas and the kitchen operations. Any lapses in service are immediately reported to corporate management and efforts are undertaken to address or rectify such lapses as soon as possible.

Menu and Food Preparation

In order to promote consistent quality at all of our restaurants, we apply best practices to monitor all the steps of food delivery, from the creation and maintenance of the approved products list to supplier selection, menu item approval and the training of our chefs and staff.

We commit resources to the development of a standard menu for each brand. All menu items are evaluated on taste, ease of preparation and whether they could be introduced to the menu profitably. Each of our key brands have a dedicated team of trained chefs which aims to ensure that all ingredients and recipes are consistent with quality standards. As part of the menu development process, most new recipes and ingredients are tested prior to launch through taste tests or restaurant trials at selected restaurants.

Our menu is regularly revised: items for which there is little or no demand are dropped and new items are added in anticipation of consumer preferences. Menu standards are developed at the corporate level for each brand, tested, and then introduced across all operations of that brand, if successful in testing. In developing and maintaining our *Mainland China* menu, certain of our personnel, including our Managing Director, travel to China from time to time to study local Chinese cuisines and subsequently, adopt the dishes that we expect will suit popular consumer tastes in India. We make limited modifications to the flavours and cooking methods so as to retain the authentic flavours of Chinese cuisine. To appeal to the large Indian vegetarian population, certain of our personnel also visit Buddhist vegetarian restaurants in China to learn about vegetarian dishes which we can then introduce into our menus. From time to time, we invite chefs from China to visit our restaurants and train our chefs as well as introduce new items to our menus.

All of our dishes are freshly prepared on stovetops by our trained chefs in each restaurant kitchen. The timing of stovetop preparation is aligned with our guest consumption patterns to minimise time lapse between stovetop preparation and serving of food to guests at the tables. Based on the experience of our chefs and restaurant managers, we estimate how many dishes of each menu item are expected to be sold per hour per restaurant. As a result, we are able to calculate our raw material needs and the preparation time of our menu items for maximum freshness of the dishes served to our guests.

Pricing Policy

Our pricing policy is generally based on the costs of operation and raw materials, marketing analysis, including analysis of guest needs and our competitive position. Our marketing department evaluates a reasonable price range in light of cost of sales required for a particular dish. We have limited price variations between restaurants belonging to a brand in various locations. However, our Core Brands and other key brands are differentiated in terms of prices: we price *Mainland China* and *Oh! Calcutta* offerings higher than *Sigree*, *Flame & Grill* and *Machaan* offerings. *Haka* offerings are priced at the lowest end of our pricing spectrum. We review our menu pricing across our restaurants from time to time, including when prompted by price fluctuations of our raw materials. We have historically been able to pass on increased raw material and operating costs to our guests in the form of increased menu prices.

Performance Review

We review the performance of each restaurant (company owned and operated and franchise) on a monthly basis using a variety of KPIs including, guests served per day, APC, covers, cover turnaround (per day), raw material costs, staff costs and electricity costs. We also review the sales performance of each restaurant against the budgeted sales on a daily basis. We take corrective action, such as additional local marketing activities, if the results differ from the budgeted figures. We also have KPIs that we track on a quarterly basis, such as guest satisfaction scores and operational unit review scores. We compare and analyse operational indicators of our restaurants by reference to geographical clusters of comparable outlets so as to share best practices among our restaurants and enhance the results of low performing units. We track the gross profits made at each restaurant on a monthly basis to monitor the performance of each restaurant. We also carry out restaurant level reviews with each restaurant manager on a regular basis.

For all our restaurants (whether owned or franchised), we have established strict central standards and processes relating to food and beverage preparation, conduct of personnel, property management and ingredients purchasing and provide comprehensive introductory and ongoing training and supervision to monitor adherence to those standards. Such standards and processes are reviewed regularly at the corporate level.

Quality Monitoring

We employ a strict quality monitoring system across all our restaurants. Prior to the launch of a new restaurant, we generally have a food trial conducted either by our corporate chef or senior management. In addition, we had obtained Hazard Analysis and Critical Control Point ("HACCP") certification for one of our *Mainland China* restaurants in Kolkata. Currently, our *Mainland China* restaurant at Gurusaday Road in Kolkata has been accredited with ISO 22000:2005 certification, which certifies that restaurant has established and applies a "food safety management system" for preparation and service of cooked food. We also implemented standard operating procedures throughout our network of restaurants with respect to food handling. In addition, we conduct regular internal audits on each of our restaurants. Our corporate chef makes regular visits to company owned and operated and franchise restaurants in India and Bangladesh. To further enhance our hygiene and safety controls at our restaurants, in September 2010, we recruited an additional corporate chef with 10 years of experience in a flight kitchen. We also have two senior chefs that visit our restaurants regularly. In cities with a sufficient number of restaurants, we have city chefs that make regular visits to each of the restaurants in their designated areas. In addition, from time to time, we engage a third party auditor, to anonymously inspect the premises of our restaurants and make recommendations which we consider at the corporate level. We periodically send food samples from each of our restaurants and from each of our *Sweet Bengal* confectionaries to a third party laboratory for microbiological testing to check that our restaurants and confectionaries are meeting our hygiene standards.

See "—Suppliers and Purchasing Practice" on page 131 of this Red Herring Prospectus for information on our quality control processes relating to third party suppliers of our raw materials.

New Restaurants Development

We have concentrated our expansion efforts by mainly targeting the Metros and Tier I cities, and to a lesser extent, Tier II cities. Our expansion efforts in Tier II cities have been mainly through franchise arrangements. In Fiscal Years 2013 and 2014, we plan to continue our focus on the Metros and Tier I cities while opportunistically expanding into Tier II cities. We intend to continue to roll-out primarily company owned and operated and opportunistically, franchise operations in India and certain international destinations. When entering a new geographic market, our goal is to open multiple restaurants to achieve meaningful market share, local recognition of our key brands, critical mass and economies of scale, while at the same time focusing on consistency in the quality of our foods and services. Once we achieve adequate scale of operations in a particular city, we seek to leverage our brand to expand into nearby markets.

We follow a disciplined and systematic expansion process with respect to our new restaurants. Our selection of new potential locations for our restaurants is based on various factors, including existing market competition, the size of the potential guest base and economic conditions of each particular city. We have a central team of personnel and resources at the corporate level committed to developing and opening new locations. Generally, the process consists of four steps:

- Business Development Team: A suitable location is generally one of the most important elements for a restaurant's success. Accordingly, our procedure for the development of new restaurants begins with an initial audit of potential locations in terms of other restaurants in the vicinity, types of guests and rental costs of the premises.

- Project Team: Based on the input provided by the business development team, the project team reviews the technical parameters such as the kitchen and the dining area, parking space and regulatory permits and licenses for the relevant project.

- Commercial Development Team: The team develops a detailed business case for a particular site comprising five year projections with quantitative data including guest traffic, expected guest flow and average price per meal and qualitative criteria including presence and business results of competitors and other retailers. Where feasible and economical, we especially pursue restaurant locations strategically located within or near transportation infrastructure that may enable high turnover as well as within or near shopping malls, central business districts, busy streets and office complexes.

- Management Team: Following preliminary analysis of the location, the management team reviews the report produced by the commercial development team to give its final approval.

Once a site has been approved by our business management team for a new restaurant, we negotiate lease terms with the property owner or lessor while concurrently conducting legal and regulatory due diligence investigations. Lease negotiations are led by our director of business development and are guided by a comprehensive set of criteria, including certain financial return requirements. We typically negotiate a three to four month fit-out period to enable us to fit out the location in accordance with our brand standards without incurring lease costs. We also negotiate leases on both a fixed and variable rental basis tied to percentage of sales. All new leases are subject to the final approval of our Managing Director.

We engage contractors for our fit-outs which are carried out on a ready-to-move-in basis. We generally source equipment such as refrigerators required for our new restaurants from Mumbai. From time to time, we may import certain equipment such as grills suited for a particular cuisine or certain electronic items such as air conditioners where it is economic and practical to do so. Our estimate of costs towards equipment are based on quotations received from various vendors, from whom we have purchased similar items for our company owned and operated restaurants in the past.

During Fiscal Year 2011, we opened 11 new restaurants (four *Mainland China* restaurants, one *Oh! Calcutta* restaurant, three *Flame & Grill*, two *Machaan* restaurants and one *KIBBEH* restaurant), of which four were company owned and operated restaurants and seven were franchise restaurants. From March 31, 2011 until February 29, 2012, we opened ten new restaurants (nine *Mainland China* restaurants and one *Flame & Grill* restaurant), of which eight were company owned and operated restaurants and two of which were franchise restaurants. We closed four company owned and operated restaurants during that period (two *Mainland China* restaurants, one *HAKA* restaurant and one *Flame & Grill* restaurant). We typically only lease constructed premises, and based on recent experience and trends, management estimates that the fit-out period for a new restaurant is three to four months on average. We intend utilise a portion of the Issue Proceeds to open 45 company owned and operated restaurants in Fiscal Years 2013, 2014 and 2015. Our costs of development will comprise (i) expenses towards interior costs, (ii) expenses towards equipment, (iii) expenses towards payments of security deposits and (iv) miscellaneous expenses, which include certain contingency costs, project management costs and preliminary and preoperative expenses. For further details, see the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

We generally transfer staff from existing restaurants to new restaurants to facilitate the transfer of our core values to new operations. We incur staff costs relating to new restaurants for about three to four months prior to the restaurant launch as we typically bring in staff in advance of the restaurant launch date for training. Restaurant results are monitored by regular operational meetings.

Since 1999, we have closed a total of 13 company owned and operated restaurants (three in Fiscal Year 2009, six in Fiscal Year 2010 and four in the eleven months ended February 29, 2012). These comprised three *Mainland China* restaurants, five *Haka* restaurants, one *Sigree* restaurant, one *Flame & Grill* restaurant, one *Kix* restaurant, one *IVY* restaurant and certain kiosks in a food court. We closed such units because they experienced low guest traffic relative to their rental costs, making their operations uneconomical.

Restaurant Locations

Suitable locations are crucial for a successful restaurant business. We consider our locations to be generally suitable for our target Middle Class guests. For most of our company owned and operated restaurants, the initial terms of our leases typically range from two to nine years. As of February 29, 2012, the leases of 33 of our company owned and operated restaurants and eight of our confectionaries were on a fixed rental basis and the leases of 16 of our company owned and operated restaurants and five of our confectionaries were on a variable rental basis tied to percentage of sales, some of which have a minimum guarantee. We expect to enter into an increasing number of leases on a variable rental basis. See section "Risk Factors—Internal Risk Factors—We lease premises for all of our restaurants and confectionaries and our inability to secure our lease rights and keep up with increasing lease rentals in certain key locations may adversely affect our business, financial condition, results of operations and prospects" on page 19 of this Red Herring Prospectus.

Restaurant Maintenance

Our restaurant teams are responsible for managing ongoing refurbishment across all of our company owned and operated restaurants. Minor refurbishments take place periodically beginning approximately one year after opening a new restaurant and are primarily directed at refreshing guest-facing areas of the location. Major refurbishments take place approximately three to five years after opening and include replacement of food preparation equipment, tables, chairs and full redecoration. We also refurbish certain company owned and operated restaurants from time to time when we determine that restaurant performance, local competition, the number of total refurbishments in progress or the actual condition of the location make refurbishment appropriate. We engaged in repairs and maintenance in Fiscal Year 2011 and plan to continue to engage in repairs and maintenance in the future.

Franchise Restaurants

As of February 29, 2012, our 11 independent franchisees operated 13 *Mainland China*, one *Oh! Calcutta*, four *Machaan* and two *Flame & Grill* restaurants. Royalty and management fees from our franchise restaurants provided 2.08% of our total income from operations in Fiscal Year 2011 and 2.05% of our total income from operations in the nine months ended December 31, 2011. We opened our first franchise restaurant, a *Mainland China* restaurant in Guwahati, in January 2008. We view franchising as an efficient means of achieving our growth and expansion goals while also generating franchise fee income. As we implement franchising, our current plan is to explore franchising arrangements on an opportunistic basis particularly in Tier II cities.

We are selective in our franchisee selection process as our main priority is to maintain our brand standards and promote quality food and services across our network of restaurants. We typically only consider franchise candidates with whom we have a long standing relationship or are referred by a party with whom we have a long-standing relationship. We also assess candidates' business knowledge and skills, business planning capabilities, operational track record, local market position and reputation to determine the development capabilities of each potential franchisee. We conduct interviews and site visits to existing enterprises owned by franchisees and collect information on potential partners from independent sources such as market researches and reliable references.

Prior to entering into franchise agreements, we typically enter into letters of intent with our franchisees. Such letter agreements typically provide for a non-refundable payment of 50.00% of the initial access premium for initial access to our brand name and know-how. The remaining 50.00% is typically paid when we enter into a franchise agreement. However, the payment terms are subject to negotiation and we may agree to different payment terms on a case-by-case basis. In addition, franchisees may be required to pay certain design fees, such as architects' fees and kitchen consultant fees which is treated by us as designing fees. We offer discounted upfront franchise fees if a long-term development commitment is signed or if warranted by a particular market.

Under the key terms of our franchise agreements, our franchise arrangements usually have a term of nine years, subject to extension upon mutual agreement of the parties. Upon commencement of operation, our franchisees pay us a percentage of the restaurant's net monthly sales as royalty and brand fees. Franchisees sometimes operate other restaurants, but our franchise agreements limit franchisees' ability to operate competitor restaurants serving cuisines similar to our own while such franchise agreements are effective and for three years following termination of such agreements. Certain of our franchise agreements also limit our Company from using or permitting third parties from using its brand names in the city where there is an existing franchise arrangement, without the prior permission of the relevant franchisee. In certain cases involving the expansion of our franchise network, existing franchisees also have the right of first refusal in respect of franchise restaurants opening in the same city under the same brand name or serving similar cuisine.

Under the terms of our franchise agreement, we generally licence the use of our trademark to the licensee but retain control of material aspects of the restaurant operation. All restaurant chefs, managers and a majority of other staff are employed by us. Staff costs in respect of certain franchise restaurants are paid by us and reimbursed to us by the franchisee on a monthly basis. To promote standardised operations, our franchise agreements require our franchisees to follow our standard operating procedures from our business manual. Franchisees are subject to the same corporate management and internal audits as our company owned and operated restaurants. Franchise restaurants are required to send us daily point of sale information via email to enable our corporate office to track their sales performance. Further, members of our corporate management team, including our corporate chef, directors, general manager of operations and regional managers, visit franchise restaurants 10 to 12 times a year. By such control of the operations, we aim to provide our guests with consistent food quality and service standards across our network of restaurants.

Outdoor Catering

Through our company owned and operated restaurants we also cater special events, which we market as "outdoor catering." Customers can choose dishes from our restaurant menus and we serve the food at the customers' venues.

Marketing

Advertising Strategy

Our advertising targets consumer preferences for fresh, wholesome, flavourful food and an affordable fine dining experience typically expected only in a five-star hotel setting. Our advertising strategy is centred on increasing our brand awareness, complemented with certain promotions and festivals from time to time. Our core target audience are Middle Class consumers with a balanced gender mix.

We engage a related party Situations Advertising, to implement the Situations Advertising Agreement. This agreement is valid until April 2015. We use a variety of media to convey our advertising, including billboards, city formats and banners as a key vehicle for certain of our brands. We use other media, including television, internet, radio, print, direct marketing and other unconventional media, such as short message services and social networking sites, to optimise our media plan and coverage of target demographic profiles. For brands that have critical mass in a local marketplace, television also plays an important role. For instance, we had run a television advertising campaign for our *Mainland China* brand in conjunction with Pepsi in calendar year 2010 both to promote new dishes and to build the image of the brand. We also launch food festivals from time to time particularly in connection with launches of new menu offerings which serve as marketing tools. In 2010, we launched two food festivals in conjunction with Visa, one of which began in early December 2010 and ended in November 2011.

Loyalty Programme

We strive to position our brands as a top choice for affordable fine dining experiences by offering value-for-money in our core menus and attractive promotional offers developed by our research and development department. We closely and constantly monitor consumer preferences and spending patterns, check competitive trends, track guest satisfaction, conduct primary quantitative and qualitative research, subscribe to secondary studies and test new products. These steps allow us to update regularly our value proposition for our product development, advertising and media strategy, as we seek to reinforce our brand leadership position.

Our marketing strategy seeks to build client loyalty. Launched in 2008, our loyalty programme, the *Speciality Preferred*, consists of over 95,000 members as of February 29, 2012. We have a dedicated team that continually tracks the restaurant patronage of our *Speciality Preferred* members. We also offer regular promotions to our *Speciality Preferred* members to promote interactivity between us and them.

Suppliers and Purchasing Practices

Our ability to maintain consistent quality throughout our restaurants depends in part upon our ability to acquire ingredients and related raw materials from reliable sources in accordance with our specifications in each of the locations in which we operate.

We have a central system in place for our annual selection of suppliers of our key raw materials, which is overseen by the general manager of materials. We purchase ingredients through annually contracted local suppliers based upon our terms, specifications and requirements, contributing to higher operating efficiency and better quality control. We estimate that as of March 31, 2011, we had over 650 food suppliers for our meat, vegetable, fruit and beverage requirements. Purchases made from our 10 largest suppliers in Fiscal Years 2009, 2010 and 2011 were equal to approximately 20.45%, 22.91% and 21.33% of our materials (food & beverage) for each of these periods, respectively. None of our suppliers accounted for more than 10.00% of the total volume of raw material purchased by us in Fiscal Year 2011. We intend to expand our supplier base to include a greater number of large suppliers as we believe using larger suppliers will streamline our quality assurance and economies of scale.

We maintain a number of suppliers for each of our key ingredients such as chicken, seafood and rice, which we believe can help mitigate pricing volatility. Given that we rely on direct deliveries to our restaurants, we seek to optimise the number of suppliers for each product based on frequency of delivery and distance from the supplier. For example, for perishable items requiring frequent delivers, such as seafood, we may contract with more than one supplier within the same city where the transportation costs, may make doing so economically efficient. We may also contract with more than one supplier for a certain item where supply of that item is known to be inconsistent. Certain items, such as table clothes and dinner napkins, are sourced at the corporate level to promote consistent quality.

On an annual basis, we invite quotations based on the previous year's consumption and compile a comparison chart of our suppliers in the various cities in which we operate our restaurants. Our general manager of materials then travels to the various cities to negotiate rates based on the comparison report as well as the vendors' ratings obtained informally in their respective markets and their overall quality and service. Following completion of the negotiations, our purchase coordinators in each of the respective cities will update the rates on the central system to generate a final rate comparison sheet for our general manager of materials' approval. Once the general manager of materials approves the final rates, we enter into formal contracts with the suppliers and update the rates on our central IT system. In addition, under the terms of our franchise agreements, we require our independent franchisees to use suppliers approved by us. We also offer guidance to our independent franchisees in negotiating competitive rates.

In general, we use a standardised supply contract for supplies and food products for a term of one year at a mutually agreed fixed price containing customary payment periods. The standard requirements we impose on our suppliers include absolute discretion to reject any deliveries which do not meet our quality standards. In order to promote a disciplined supply chain, we also include penalties to recover any additional costs incurred where the supplier is unable or unwilling to supply raw materials in accordance with the terms of the supply contracts. In addition, our contracts allow us to regularly inspect vendors to ensure that the products purchased conform to our quality standards, and our quality assurance team performs comprehensive supplier audits frequently based on the potential food safety risk of each product. Under the terms of our supply agreements, our vendors are generally responsible for the transportation of our raw materials from the suppliers' premises directly to our restaurant locations.

Based on the restaurant chef's requirements, each restaurant places orders on a daily basis for perishable ingredients and on a weekly or fortnightly basis for non-perishable items. On delivery, our stock keepers and chefs inspect the raw materials and update the inventory for the respective restaurant on the restaurant's register, which is physically verified on a monthly basis.

We have historically not experienced any significant shortages of supplies or any significant delays in receiving raw materials or beverage inventories. Although we agree to fixed prices with our vendors under our supply agreements, our vendors may request us to renegotiate the price where the market price changes significantly. We have experienced significant increases in absolute terms of prices in certain raw materials particularly vegetables and rice since 2009. See section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Results of Operations—Expenses from materials (food and beverage)" on page 228 of this Red Herring Prospectus.

We have several agreements with our distributors. See "—Marketing—Advertising Strategy" on page 130 of this Red Herring Prospectus for more information. Under the terms of our franchise agreements, our franchisees are also obliged to use any distributors with which we have such agreements.

As a cost-saving and quality assurance measure, we may establish commissaries in the future to supply certain semi-finished cooked products, such as soups and sauces, in order to increase our operational efficiency and the consistency of our menu offerings at certain of our existing and planned restaurants.

Information Technology

We use information technology systems to help us operate efficiently, increase the scalability of our business and accommodate future growth. We currently use a combination of commercially available and custom-developed software and hardware systems, including customised enterprise resource planning (ERP) software and point of sale and inventory tracking software. We connect all our company owned and operated restaurants to the system, allowing us to effectively monitor and review performance on a real time basis as well as to monitor our fixed assets and payroll. We have contracted with a third party for a dedicated lease line for our ERP operations, and we also use broadband services to minimise disruptions in service. Our franchise restaurants are currently using software which we used prior to switching to the ERP software, and our franchise restaurants are in the process of being connected to our central ERP system. We receive daily point of sale information from our franchise restaurants via email. Our technology system has several key benefits: it simplifies the storage and processing of large amounts of data and automates much of the administration of our business.

Property

Real Property

Our Registered Office, located at Uniworth House 3A, Gurusaday Road, Kolkata 700019 and Corporate Office, located at B/25, 4th Floor, Morya Landmark I, Veera Industrial Estate, Off New Link Road, Andheri (West), Mumbai 400 053, are not owned by us. The premises of our Registered Office have been leased to us under formal lease agreement for a period of five years (expiring on March 31, 2016) and Corporate Office have been leased to us under formal lease agreements for a period of five years (expiring on March 31, 2016). We also own land measuring approximately 4,047 square metres located at Rajarhat, West Bengal, Kolkata.

All our company owned and operated restaurants and confectionaries are located on leased properties. However, the lease relating to our *Oh! Calcutta* company owned and operated restaurant in Mumbai and the lease relating to the premises of a *Sweet Bengal* factory in Mumbai have not been transferred to our Company's name. These leases are in the process of being transferred to our Company in its capacity as lessee. See section "Risk Factors-Internal Risk Factors—We lease premises for all of our restaurants and confectionaries and our inability to secure our lease rights and keep up with increasing lease rentals in certain key locations may adversely affect our business, financial condition, results of operations and prospects" on page 19 of this Red Herring Prospectus.

The lessors under our lease agreements are either third parties or our Promoters/Group Companies. Most of our company owned and operated restaurants have initial lease terms that typically range for a period of two to nine years. Total rent costs during Fiscal Year 2011 and the nine months ended December 31, 2011 were Rs. 249.17 million and Rs. 202.83 million, respectively. See "—Restaurant Operations—Restaurant Locations" on page 129 of this Red Herring Prospectus. Our franchise restaurants are located on properties which are approved by us and either owned or leased by the franchisees.

Intellectual Property

We have registered trademarks for certain of our key brands in India. We also have applications pending in India and certain international jurisdictions for certain of our key brands, such as *Oh! Calcutta* and *Sweet Bengal*, and other brands. The application for our *Mainland China* brand in Bangladesh is also pending. The trademarks and logos of our key brands and related restaurant concepts have significant value and are important to our business. We license the use of our *Mainland China* and *Flame & Grill* registered trademarks in India as well as our *Machaan* and *Oh! Calcutta* brand name to franchisees with whom we have entered into franchise agreements. See the section "Government and Other Approvals" on page 258 of this Red Herring Prospectus for details of our registered trademarks and pending applications. See also section "Risk Factors—Internal Risk Factors—We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain" on page 20 of this Red Herring Prospectus.

Environment, Health and Safety

We believe that we are in material compliance with applicable environmental legislation and are not aware of any past, current, pending or potential material environmental claims against us. We do not believe any past, current or future non-compliance will be material or have had or will have a materially adverse effect on our business and results of operations. We do not carry third-party liability insurance in respect of environmental damage.

We have food safety and quality assurance programmes designed to maintain the high standards for food quality and food preparation procedures, which are used by all our restaurants (company owned and operated and franchise). These programmes include strict guidelines on the proper handling of fish, poultry and other meats, proper temperatures for food storage, preparation and serving. Our management performs comprehensive restaurant audits. Our management visits each of our restaurants and evaluates all areas of food handling, preparation and storage on a quarterly basis. We also periodically send food samples from each of our restaurants and from each of our *Sweet Bengal* confectionaries to a third party laboratory for microbiological testing to check that our restaurants and confectionaries are meeting our hygiene standards. In addition, we have ongoing food safety training to instil in our staff the importance of product quality at every stage of the food preparation cycle.

We comply with all applicable statutory hygienic and sanitary procedures.

Human Resources

As of February 29, 2012, we had 3,490 staff, of which 2,361 were employed at our company owned and operated restaurants, 732 were employed at our franchise restaurants and 94 were employed at our confectionaries and *Sweet Bengal* factory. Of the remaining 303 staff, 37 were employed in city and regional operations and supply chain functions, 143 formed a part of the central functions including finance, human resources and administration and 123 were involved in new project development. None of our staff are represented by a labour union or covered by a collective wage bargaining agreement. We also have an insignificant number of part-time staff who are primarily engaged to manage peak-hour volumes. We emphasise staff welfare by offering our full-time staff, free meals, housing facilities, transportation to and from work, medical benefits, annual bonuses and other incentives.

To maintain our core values across our restaurant network while we expand, our human resources department provides that our staff can be transferred within our restaurant network. We did not implement staff redundancy measures during the recent economic downturn which we believe will further enhance our staff retention rates.

Competition

The restaurant industry and within it, the fine dining segment, of the consumer food services industry in India is competitive and fragmented. The consumer food services industry is also divided between organised and unorganised segments such as small, non-branded restaurants. Data relating to the unorganised segment is scarce and not reliable. See section "Risk Factors—Internal Risk Factors—Our operating results depend on the effectiveness of our marketing and advertising programs" on page 27 of this Red Herring Prospectus. In addition, we compete against other segments of the consumer food services industry. The number, size and strength of competitors vary by location. Competition is based on a number of factors, including price, type of cuisine, quality of food, quality of guest service, value, name recognition and restaurant location. Competition within the fine dining restaurant segment, however, focuses primarily on the quality of food, quality of guest service and ambience.

We compete with national and regional restaurant chains, including BJN Group and Pan India Foods (formerly known as Blue Foods Pvt. Ltd.). In addition, we compete with smaller restaurant chains as well as individual restaurants within the cities in which we operate.

Our business benefits from our quality food offerings coupled with our fine dining experience as well as our well known Core Brands. However, some of our existing and potential competitors may have more resources than we do, and may be able to devote greater resources than we can to the development, promotion and sale of their services and products and respond more quickly than we can to changes in guest preferences or market trends. In addition, we face competition from a variety of smaller dining outlets that focus on some of our targeted Tier I and Tier II cities, and they may be able to respond more promptly to changes in guest needs and preferences in those markets. See section "Risk Factors—Internal Risk Factors—We face risks associated with the expansion of our business in Indian cities and other locations as well as into new restaurant formats" on page 24 of this Red Herring Prospectus. We also face competition from companies replicating our restaurant concepts at lower costs.

Insurance

We are covered by adequate property and liability insurance policies with coverage features and insured limits that are customary for similar companies in India. We currently have the following types of insurance, with certain deductibles and limitations of liability in place for our company owned and operated restaurants and confectionaries: (1) property insurance covering all risks of physical loss of, or damage to, our property; (2) public liability insurance indemnifying us for damages for which we may become legally liable arising out of our business operations; (3) money insurance which covers money in restaurants or in transit accompanied by our authorised staff during business hours between our restaurants or offices and banks, guests' premises or post offices; (4) directors and officers insurance; (5) loss of profit policy covering business losses due to business suspensions caused by external factors and (6) vehicle insurance for vehicles used by our Company's staff and officials. In Fiscal Year 2011, we incurred Rs. 4.18 million on insurance premium. However, our insurance coverage may not be adequate to cover all losses that may occur. See section "Risk Factors—Internal Risk Factors—Our insurance coverage may be inadequate, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations" on page 33 of this Red Herring Prospectus.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies which are applicable to our Company in India. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. These regulations must be read with the section "Government and Other Approvals" on page 258 of this Red Herring Prospectus.

Regulations governing Food Services Industry in India

The Food Safety and Standards Act, 2006

The Food Safety and Standards Act, 2006 (the "FSSA") was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the "Food Authority") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by 'Food Safety Appellate Tribunal'. The FSSA has not been fully notified and has only been partially enacted.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the "FSSR") which have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'food safety officer' and 'food analyst' and procedures of taking extracts, seizure, sampling and analysis.

The Food Authority has also framed the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminats, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

The key provisions of the FSSA are:

- Establishment of the Food Authority to regulate the food sector;
- The Food Authority will be aided by several scientific panels and a central advisory committee to lay down standards for food safety. The standards will include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels;
- Enforcement through 'state commissioners of food safety' and other local level officials;
- Registration or licensing requirement for every entity in the food sector. Such licence or a registration would be issued by local authorities;

- Every distributor is required to be able to identify any food article by its manufacturer, and every seller by its distributor; and
- Any entity in the sector is bound to initiate recall procedures if it finds that the food sold has violated specified standards.

Other regulations:

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (the "Legal Metrology Act") has come into effect after its publication in the Official Gazette on January 14, 2010 and has been operative since March 1, 2011. The Legal Metrology Act replaces The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are:

- Appointment of Government approved test centres for verification of weights and measures;
- Allowing the companies to nominate a person who will be held responsible for breach of provisions of the Act; and
- Simplified definition of packaged commodity and more stringent punishment for violation of provisions.

Environmental Regulations

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the "Environment Protection Act"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

Municipality Laws

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non compliance.

Police Laws

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non compliance.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company's restaurants and confectionaries have to be registered under the Shops and Establishments legislations of the state where they are located.

Intellectual Property Laws

The Copyright Act, 1957 protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audiovisual works (cinematograph films and video). The Copyright Act, 1957 specifies that for the purposes of public performance of Indian or international music a public performance license must be obtained else it will invite criminal action. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings.

The Trademarks Act, 1999 provides for the application and registration of trademarks in India. The purpose of the Trademarks Act, 1999 is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act, 1999 prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

Motor Vehicles Act, 1988

The Motor Vehicles Act, 1988 (the "MV Act") aims at ensuring road transport safety. The MV Act, among other things, provides for compulsory driving license, compulsory insurance, registration of vehicle, compensation in case of no fault liability and compensation by the insurer to the extent of actual liability to the victims of motor accidents irrespective of the class of vehicles. Under the MV Act it is the responsibility of the owner of the vehicle to ensure that the driver of the vehicle has a valid driving license and is not below the prescribed age limit. Acts such as driving the vehicle without a valid license, allowing such person to use the vehicle, and driving vehicle of unsafe condition, are criminal offences under the MV Act. The Central Motor Vehicles Rules, 1989 formulated under the MV Act provide for, among other things, procedures to register the motor vehicle and obtain licenses.

Labour Laws

The employment of workers for our Company's business is regulated by various labour laws, rules and regulations including the Factories Act, 1948, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition Act, 1970), The Payment of Bonus Act, 1965, The Maternity Benefit Act, 1961, The Employees' Provident funds and Miscellaneous Act, 1952, The Employees State Insurance Act, 1948, The Minimum Wages Act, 1948, The Payment of Wages Act, 1936 and The Workmen's Compensation Act, 1923.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Promoters, launched the first restaurant of our Company's restaurant network in 1992 under the name '*Only Fish*', which was later renamed '*Oh! Calcutta*' in 1996. In 1994 our Promoters launched the first *Mainland China* restaurant in Mumbai.

Our Company was incorporated as Speciality Restaurants Private Limited on December 1, 1999 as a private limited company under the Companies Act. The name of our Company was changed to Mainland Restaurants Private Limited on May 7, 2003 and a fresh certificate of incorporation dated May 8, 2003 was issued by the Registrar of Companies, West Bengal. The name of our Company was changed to reflect the brand name of one of our Core Brands, Mainland China. Subsequently the name of our Company was changed again to Speciality Restaurants Private Limited and a fresh certificate of incorporation dated January 1, 2004 was issued. The name of our Company was changed to reflect the business activities presently carried on, and intended to be carried on in the future by our Company. Consequent upon the conversion of our Company to a public limited company, the name of our Company was changed to Speciality Restaurants Limited and a fresh certificate of incorporation dated February 10, 2011 was issued by the Registrar of Companies, West Bengal. For further details see the section, "Our Business" on page 112 of this Red Herring Prospectus.

Changes in Registered Office

Date of Change of Registered Office	Address
December 26, 2000	The registered office of our Company was changed from 159, Kankulia Road, Kolkata 700 029 to 'Uniworth House', 3A, Gurusaday Road, Kolkata 700 019

The change mentioned above was made for operational convenience.

Major Events of our Company

The table below sets forth some of the major events of our Company.

Date/Fiscal Year	Event
2001	We launched a *Mainland China* restaurant in Kolkata
2002	We launched a *Mainland China* restaurant in Pune
2002	We launched a *Mainland China* restaurant in Chennai
April 1, 2002	We acquired two *Mainland China* restaurants from our Promoters (Mumbai and Hyderabad)
2003	We had a network of five restaurants in five cities
April 1, 2005	We acquired a *Oh! Calcutta* restaurant located in Mumbai from our Promoters
2006	We opened our 10^{th} restaurant
December 27, 2007	We issued and allotted 208,076 Preference Shares to SAIF
April 1, 2007	We acquired a *Just Biryani* restaurant from one of our Directors
October 1, 2007	We acquired all *Sweet Bengal* confectionaries from Indranil Chatterjee – HUF
2008	First franchise restaurant was opened in Guwahati
2008	We launched a *Flame & Grill* restaurant in Kolkata
2010	We opened our 50^{th} restaurant (company owned and operated and franchisee)
February 7, 2010	First international franchise restaurant was opened in Dhaka, Bangladesh

Awards

The table below sets forth some of the awards won by our Company in the years 2010, 2011 and 2012:

Year	Event
2010	Our restaurant *Oh! Calcutta* (Mumbai) was recognized as 'one of Asia's Finest Restaurants' by 'The Miele Guide 2009/2010'

Year	Event
2010	Our restaurant *Sigree* (Kolkata) was recognized as 'one of Top 5 restaurants in India' by 'The Miele Guide 2009/2010'
2010	Our restaurant *Mainland China* (Church Street, Bengaluru) was recognized as 'one of Asia's Finest Restaurants' by 'The Miele Guide 2009/2010'
2010	Our brand *Oh! Calcutta* won the 'Best Regional Restaurant' award by NDTV Good Times Food Awards 2010
2010	Our brand *Mainland China* won the 'Times Food Award' in the category of 'Best Chinese' for the year 2010
2010	Our brand *Oh! Calcutta* won the 'Times Food Award' in the category of 'Best Bengali' for the year 2010
2010	Our brand *Sigree* won the 'Times Food Award' in the category of 'Best North Indian' for the year 2010
2010	Our restaurant *Oh! Calcutta* (Kolkata) won the 'Best Bengali Restaurant' in the 'Times Food & Nightlife Awards Kolkata 2010' for the year 2010
2011	Our brand *Oh! Calcutta* won the 'Times Food Award' in the category of 'Best Bengali' for the year 2011
2011	Our brand *Sigree* won the 'Times Food Award' in the category of 'Best North Indian' for the year 2011
2011	Our brand *Mainland China* won the 'Times Food Award' in the category of 'Best Chinese' for the year 2011
2011	Our brand *Mainland China* was recognized as 'one of Asia's Finest Restaurants' by 'The Miele Guide 2010/2011'
2011	Our restaurant *Oh! Calcutta* (Church Street, Bengaluru) was recognized as 'one of Asia's Finest' by 'The Miele Guide 2010/2011'
2011	Our restaurant *Oh! Calcutta* (Elgin Road, Kolkata) was recognized as 'one of Asia's Finest' by 'The Miele Guide 2010/2011'
2011	Our restaurant *Oh! Calcutta* (Nehru Place, New Delhi) was recognized as 'one of Asia's Finest' by 'The Miele Guide 2010/2011'
2011	Our restaurant *Oh! Calcutta* (Tardeo, Mumbai) was recognized as 'one of Asia's Finest' by 'The Miele Guide 2010/2011'
2011	Our brand *Mainland China* won the "Coca Cola Golden Spoon Award" for the most admired food service retailer of the year - dine-in international cuisine
2012	Our brand *Oh! Calcutta* won the 'Times Food Award' in the category of 'Best Bengali' for the year 2012
2012	Our brand *Mainland China* won the 'Times Food Award' in the category of 'Best Chinese' for the year 2012
2012	Our brand *Sigree* won the 'Times Food Award' in the category of 'Best North Indian' for the year 2012
2012	Our brand *Mainland China* won the 'Images Most Admired Retailer of the Year in East India: Food Service (National Chain)'
2012	Our restaurant *Mainland China* located at Hyderabad was awarded the 'Best Chinese Restaurant' of the year 2011 at the '2nd Epicurus Hospitality Awards'
2012	Our brand *Mainland China* won the "Cocal Cola Golden Spoon Award" for the most admired food service retailer of the year - dine-in international cuisine

Main Objects of our Company

The main objects as contained in the Memorandum of Association are:

1. *To acquire construct own run and manage and to carry on the business of running Hotels, Motels, Holiday Camps, Guest Houses, Restaurants, Canteens, Caterers, Cafes, Taverns, Pubs, Bars, Beer Houses, Refreshment Room and Lodging or apartments of House keepers, Night Clubs, Casinos, Discotheques, Swimming Pools, Health Club, Baths, dressing rooms, licensed victuallers, wine, beer and sprit merchants, exporters, importers, and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, caterers of public amusement generally and all business incidental thereof.*

2. *To purchase, take on lease hire, erect or otherwise acquire, establish and equip act as collaborators, technicians of any other hotels, motels, holiday camps, restaurants, canteens, cafes, pubs, bars, refreshment rooms, casinos etc. in India or in any other part of the world and to carry on the business of consultants to the hotels, restaurants, canteens, etc. in existence or to be started and to train chefs, cooks,*

bearers and other staff for hotel industry.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out as well as business proposed to be carried out and the activities proposed to be undertaken pursuant to the objects of the Issue.

Amendments to the Memorandum of Association

Our MoA was amended from time to time pursuant to the change in, or reclassification of, the authorised share capital of our Company. For details of change in the authorised share capital of our Company since its incorporation, see the section "Capital Structure" on page 70 of this Red Herring Prospectus.

In addition, our MoA was amended on the following instances:

Date of shareholders' resolution	Nature of Amendment
April 10, 2003	The name of our Company was changed from Speciality Restaurants Private Limited to Mainland Restaurants Private Limited
November 19, 2003	The name of our Company was changed from Mainland Restaurants Private Limited to Speciality Restaurants Private Limited
February 04, 2011	The name of our Company was changed from Speciality Restaurants Private Limited to Speciality Restaurants Limited

Our Shareholders

For details regarding our shareholders, see the section "Capital Structure" on page 70 of this Red Herring Prospectus.

Shareholders' Agreements

Subscription Agreement dated December 5, 2007 (the "Subscription Agreement"), the Shareholders Agreement dated December 5, 2007 (the "Shareholders Agreement") and Amendment Agreement dated February 18, 2009 (the "Amendment Agreement" together with the Shareholders Agreement, the "SAIF Shareholders' Agreement) between our Company, SAIF III Mauritius Company Limited ("SAIF"), Anjan Chatterjee and Suchhanda Chatterjee (Anjan Chatterjee and Suchhanda Chatterjee are together referred to as our "Promoters")

Our Company issued and allotted 208,076 Preference Shares and 166,924 warrants (the "Warrants") to SAIF aggregating to rupee equivalent of approximately US$ 9.04 million (approximately Rs. 355.39 million) in terms of the Shareholders Agreement. In terms of the Amendment Agreement, SAIF agreed to cancel the Warrants and warrant subscription amount equivalent to US$ 41,731 (approximately Rs. 1.67 million) was forfeited. The Preference Shares were compulsorily convertible into Equity Shares, subject to proportionate adjustments, as applicable, for various corporate actions set out in the SAIF Shareholders' Agreement. Pursuant to terms of the SAIF Shareholders' Agreement and the letters dated February 3, 2011 and November 1, 2011 (mentioned below) all Preference Shares held by SAIF were converted into Equity Shares on February 4, 2011 and November 21, 2011. For details in relation to shareholding of SAIF please see the section "Capital Structure" on page 70 of this Red Herring Prospectus.

At any time after expiry of five years from December 27, 2007, SAIF shall have the option to require our Company and/or our Promoters to buy-back the shares held by SAIF in three annual instalments in accordance with the applicable law. This buy-back shall apply only if the initial public offer is not completed by December 27, 2012. The SAIF Shareholders' Agreement shall stand terminated upon, *inter alia,* successful completion of the initial public offer of our Company. In terms of the SAIF Shareholders' Agreement our Promoters shall not directly or indirectly or through their affiliates, carry on a competing business, during the period of the SAIF Shareholders' Agreement, within the territorial limits of the Indian sub-continent without SAIF's written consent or invest in securities exceeding 5% of the total voting capital of any person that may be engaged in the competing business. The SAIF Shareholders' Agreement also provides for several other special rights including affirmative voting rights, right to nominate directors, public offering rights, dividend rights, right of first offer, right of first refusal, anti dilution rights and drag along rights.

Under the terms of the letters dated February 3, 2011, November 1, 2011 and March 12, 2012 SAIF has agreed that SAIF Shareholders' Agreement shall terminate on and from the date of filing the Prospectus with the RoC. Further, SAIF has provided its consent for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and to complete the initial public offer on or prior to June 30, 2012.

The details of utilization of funds pursuant to allotment of Preference Shares to SAIF are set forth in the table below:

(In Rs. Million)

Particulars	Amount	
Amount received from SAIF		**355.39**
Cost incurred towards issue expenses	20.14	
Cost incurred towards development of restaurants :		
- Lease deposits	57.56	
- Capital expenditure	277.69	
Total	**355.39**	

Subscription and Shareholders' Agreement dated March 26, 2010 (the "Glix Shareholders' Agreement"), between our Company, Glix Securities Private Limited ("Glix Securities"), Anjan Chatterjee and Suchhanda Chatterjee (Anjan Chatterjee and Suchhanda Chatterjee are referred to as our "Promoters")

Our Company has issued and allotted 90,558 Preference Shares to Glix Securities aggregating to rupee equivalent of approximately Rs. 150 million as per terms of the Glix Shareholders' Agreement. The Preference Shares were compulsorily convertible into Equity Shares, subject to proportionate adjustments, as applicable, for various corporate actions set out in the Glix Shareholders' Agreement. Pursuant to terms of the Glix Shareholders' Agreement and the letters dated February 3, 2011 and November 1, 2011 (mentioned below) all Preference Shares held by Glix Securities were converted into Equity Shares on February 4, 2011 and November 21, 2011. For details in relation to shareholding of Glix Securities please see the section "Capital Structure" on page 70 of this Red Herring Prospectus.

At any time after expiry of five years from June 30, 2010, Glix Securities shall have the option to require our Company and/or our Promoters to buy-back the shares held by Glix Securities in three annual installments in accordance with the terms of the Glix Shareholders' Agreement and applicable law. This buy-back shall apply only if the initial public offer is not completed within five years from June 30, 2010. The Glix Shareholders' Agreement also provides for several other special rights including right to nominate directors, public offering rights, anti dilution rights and dividend rights and shall stand terminated upon, *inter alia*, successful completion of the initial public offer of our Company.

Under the terms of the letters dated February 3, 2011, November 1, 2011 and March 12, 2012, Glix Securities has agreed that the Glix Shareholders' Agreement shall terminate on and from the date of filing the Prospectus with the RoC. Further, Glix Securities has provided its consent for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and to complete the initial public offer on or prior to June 30, 2012.

The details of utilization of funds pursuant to allotment of Preference Shares to Glix Securities are set forth in the table below:

(In Rs. Million)

Particulars	Amount	
Amount received from Glix Securities*		**150.00**
Investment in liquid mutual funds	150.00	
Total	**150.00**	

**The amount was received in tranches between March 2010 to August 2010. As stated on page 71 of this Red Herring Prospectus, the Preference Shares were made fully paid-up on August 12, 2010.*

OUR MANAGEMENT

As per the Articles of Association of our Company we are required to have not less than three directors and not more than 12 directors. As on date of this Red Herring Prospectus, the Board comprises of eight Directors.

The following table sets forth details regarding our Board as of the date of filing of this Red Herring Prospectus:

Name, Father's/Spouse's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Anjan Chatterjee (S/o Late Snehmoy Chatterjee) *Managing Director (Promoter Director)* *Address:* 83/84, Oxford Towers Oshiwara Andheri (West) Mumbai 400 053 *Occupation:* Business *Nationality:* Indian *Term:* Five years commencing from December 27, 2007 *DIN:* 00200443	53	*Other directorships* 1. Chatterbox Entertainment Private Limited; 2. Havik Exports Private Limited; 3. Havik Leasing and Financial Services Private Limited; 4. Mainland China Restaurants India Private Limited; 5. Mainland Restaurants Private Limited; 6. Prahari Housing Private Limited; 7. Prosperous Promotors Private Limited; 8. Quik Service Restaurants Private Limited; 9. Shruthi Hotels Enterprises Private Limited; 10. Situations Advertising & Marketing Services Private Limited; 11. Speciality Hotels India Private Limited; 12. Sugarcane Motion Pictures Private Limited; 13. Supriya Tax Trade Private Limited; and 14. Wow Wow Productions Private Limited. *Partnerships* 1. Print & Graphics *Trusts* 1. Dr. Snehmoy Chatterjee Educational Foundation
Suchhanda Chatterjee (W/o Anjan Chatterjee) *Whole-time Director (Promoter Director)* *Address:* 83/84, Oxford Towers Oshiwara Andheri (West) Mumbai 400 053 *Occupation:* Service *Nationality:* Indian *Term*: Five years commencing from July 1, 2010 *DIN*: 00226893	46	*Other directorships* 1. Havik Exports Private Limited; 2. Mainland China Restaurants India Private Limited; 3. Mainland Restaurants Private Limited; 4. Prahari Housing Private Limited. 5. Prosperous Promotors Private Limited; 6. Quik Service Restaurants Private Limited; 7. Shruthi Hotels Enterprises Private Limited; 8. Situations Advertising & Marketing Services Private Limited; and 9. Supriya Tax Trade Private Limited. *Partnerships* Nil *Trusts* 1. Dr. Snehmoy Chatterjee Educational Foundation.

Name, Father's/Spouse's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Indranil Ananda Chatterjee (S/o Anandamohan Chatterjee) *Whole-time Director* *Address:* T/2, 201-A, Vastu Towers Evershine Nagar Malad (West) Mumbai 400 064 *Occupation*: Service *Nationality*: Indian *Term*: Five years commencing from July 1, 2010 *DIN*: 00200577	52	*Other directorships* 1. Havik Leasing and Financial Services Private Limited; 2. Span Promotions Private Limited; and 3. Speciality Hotels India Private Limited. *Partnerships* 1. Print & Graphics *Trusts* Nil
Susim Mukul Datta (S/o Late Mahim Chandra Datta) *Chairman and non-executive, Independent Director* *Address:* 104 B, Bakhtawar Lower Colaba Road Opp. Colaba Post Office Colaba Mumbai 400 005 *Occupation*: Professional *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00032812	75	*Other directorships* 1. Atul Limited; 2. Bhoruka Power Corporation Limited; 3. Castrol India Limited; 4. Chandras Chemical Enterprises Private Limited; 5. Door Sabha Nigam Limited; 6. IL&FS Investment Managers Limited (SEBI Registration Number INP000003237); 7. Kansai Nerolac Paints Limited; 8. Peerless Developers Limited; 9. Peerless General Finance and Investment Company Limited; 10. Peerless Hotels Limited; 11. Philips Electronics India Limited; 12. Rabo India Finance Limited; 13. Reach (Cargo Movers) Private Limited; 14. Tata Trustee Company Limited; 15. Transport Corporation of India Limited; and 16. Zodiac Clothing Company Limited. *Partnerships* Nil *Trusts* Nil
Tara Sankar Bhattacharya (S/o Late Sudhir Chandra Bhattacharya)	64	*Other directorships* 1. Amartex Industries Limited; 2. Abhijeet Power Limited; 3. Embee Arc (India) Limited;

Name, Father's/Spouse's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Non-executive, Independent Director *Address*: Flat 8E, B-1 Building Harbour Heights N. A. Sawant Road, Colaba Mumbai 400 005 *Occupation:* Advisory Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00157305		4. IDFC AMC Trustee Company Limited; 5. IDFC Securities Limited (SEBI Registration Numbers INB011291433; INF011291433; INE011291433; INB231291437; INF231291437; INE231291437; INE261291433) 6. JSL Stainless Limited; 7. Rosoft Limited; 8. Surya Roshini Limited; 9. Surya Vijaynagar Steel and Power Limited; and 10. Sayaji Hotels Limited. *Partnerships* Nil *Trusts* Nil
Jyotin Mehta (S/o Late Kantilal Ochhavlal Mehta) *Non-executive, Independent Director* *Address*: Y 804-805 Golden Rays Shastri Nagar Andheri (West) Mumbai 400 053 *Occupation:* Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00033518	54	*Other directorships* 1. BOC India Limited. *Partnerships* Nil *Trusts* Nil
Dushyant Rajnikant Mehta (S/o Rajnikant H. Mehta) *Non-executive, Independent Director* *Address:* Sumer Trinity Tower, Flat No. 2501, "A" Building No. 2, New Prabhadevi Road Prabhadevi Mumbai 400 025 *Occupation:* Business *Nationality:* Indian	56	*Other directorships* 1. Quadrum Solutions Private Limited; and 2. Repro India Limited. *Partnerships* Nil *Trusts* Nil

Name, Father's/Spouse's Name, Designation, Business Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Term: Liable to retire by rotation *DIN:* 00126977		
Vishal Satinder Sood (S/o Satinder Biharilal Sood) *Non-executive, Non-independent Director and Nominee Director* *Address*: B-902, Central Park I Golf Course Road Sector 42 Gurgaon 122 002 *Occupation*: Service *Nationality*: Indian *Term*: Liable to retire by rotation *DIN*: 01780814	40	*Other directorships* 1. SAIF Advisors Private Limited; 2. Manpasand Beverages Private Limited; 3. Catmoss Retail Private Limited; 4. Pennar Industries Limited; and 5. Zooropa Foods Private Limited. *Partnerships* Nil *Trusts* Nil

Except for Anjan Chatterjee and Suchhanda Chatterjee, none of our other Directors are related to each other.

Brief Biographies

Anjan Chatterjee

Anjan Chatterjee is the Managing Director of our Company. He is one of our Promoters and has been a Director of our Company since December 1, 1999. He holds a bachelor's degree in science from University of Calcutta and obtained a diploma in hotel management, catering technology and applied nutrition from the State Council for Engineering and Technical Education, West Bengal. He has over 30 years of experience in the advertising and hospitality industry which includes training at Indian Hotels Company Limited as a management trainee.

Suchhanda Chatterjee

Suchhanda Chatterjee is a whole-time Director of our Company. She is one of our Promoters and has been a Director of our Company since December 1, 1999. She holds a bachelor's degree in arts from University of Calcutta. She has over 11 years of experience in the hospitality industry.

Indranil Ananda Chatterjee

Indranil Ananda Chatterjee, is a whole-time Director of our Company. He has been a Director of our Company since August 18, 2005. He holds a bachelor's degree in commerce from University of Calcutta and a post graduate diploma in business management from Institute of Modern Management, Calcutta. He has over 28 years of experience in finance and marketing.

Susim Mukul Datta

Susim Mukul Datta**,** is the Chairman and non-executive Director of our Company. He is an independent Director on the Board of Directors of our Company. He was appointed as a Director of our Company on February 9, 2011. He holds a post graduate degree in science and technology from University of Calcutta. He is a chartered engineer, fellow of The Institute of Engineers (India), fellow of The Indian Institute of Chemical Engineers and honorary fellow of All India Management Association. He is a member of Court of Governors of Administrative Staff College of India, Hyderabad and Indian Institute of Management, Kolkata. He is currently the chairman of various companies including Castrol India Limited, Philips Electronics India Limited and IL&FS Investment Managers Limited. He is former president of the Bombay Chamber of Commerce & Industry and ex-chairman of Indian Institute of Management, Bengaluru. He was also the chairman of Hindustan Lever Limited and certain Unilever group companies in India and Nepal from 1990 to 1996. He has over 50 years of experience in various industries including manufacturing, marketing, banking, finance, automobiles, healthcare and hotel.

Tara Sankar Bhattacharya

Tara Sankar Bhattacharya**,** is a non-executive, independent Director of our Company. He was appointed as a Director of our Company on February 9, 2011. He holds a master’s degree in physics from Jadavpur University and a diploma in management studies from University of Bombay. He is an associate of the Saha Institute of Nuclear Physics, University of Calcutta. He is also former managing director of State Bank of India. He has over 41 years of experience in banking and finance.

Jyotin Mehta

Jyotin Mehta**,** is a non-executive, independent Director of our Company. He was appointed as a Director of our Company on February 9, 2011. He holds a bachelor’s degree in commerce from University of Bombay. He is a fellow member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost and Works Accountants of India. He has over 28 years of experience in finance, secretarial, legal, quality management and general management.

Dushyant Rajnikant Mehta

Dushyant Rajnikant Mehta, is a non-executive, independent Director of our Company. He has been a Director of our Company since August 18, 2009. He holds a master’s degree in business administration from Pune University. He has over 30 years of experience in sales, advertising and marketing.

Vishal Satinder Sood

Vishal Satinder Sood, is a non-executive, non-independent Director of our Company. In terms of the SAIF Shareholders’ Agreement, he is the nominee of SAIF on the Board of Directors of our Company. He has been a Director of our Company since December 17, 2009. He holds a bachelor’s degree in computer science from Gujarat University and a post graduate diploma in management from Indian Institute of Management, Ahmedabad. He has over 15 years of experience in software, investment banking and private equity.

Terms of Appointment of our Managing Director and Whole-time Directors

Anjan Chatterjee was appointed as a Managing Director of our Company through an appointment letter dated December 27, 2007 for a period of five years with effect from December 27, 2007 and as approved by the shareholders of our Company pursuant to their resolution passed on September 29, 2008. His terms of appointment are as follows:

Particulars	Remuneration
Salary	Rs. 2.40 million per annum with such increments as may be determined by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time.
Perquisites	Anjan Chatterjee is provided a mediclaim cover.

Suchhanda Chatterjee was appointed as a whole-time Director of our Company through an appointment letter dated July 21, 2010 for a period of five years with effect from July 1, 2010 and as approved by the shareholders of our Company pursuant to their resolution passed on September 30, 2010. Her terms of appointment are as follows:

Particulars	Remuneration

Particulars	Remuneration
Salary	Rs. 1.20 million per annum with such increments as may be determined by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time.
Perquisites	Suchhanda Chatterjee is provided a mediclaim cover.

Indranil Ananda Chatterjee was appointed as a whole-time Director of our Company through an appointment letter dated July 21, 2010 for a period of five years with effect from July 1, 2010 and as approved by the shareholders of our Company pursuant to their resolution passed on September 30, 2010. His terms of appointment are as follows:

Particulars	Remuneration
Salary	Rs. 0.60 million per annum with such increments as may be determined by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time.
Perquisites	Indranil Ananda Chatterjee is provided a mediclaim cover.

Payment or benefit to Directors of our Company

The remuneration paid to our Directors in Fiscal Year 2011 are as follows:

1. **Remuneration to Managing Director and Whole-time Directors:**

The aggregate value of salary and perquisites paid in Fiscal Year 2011 to our Managing Director and whole-time Directors, as mentioned in this Red Herring Prospectus, are set forth in the table below:

Sr. No.	Name of the Director	Salary (In Rs. million)
1.	Anjan Chatterjee	2.40
2.	Suchhanda Chatterjee	1.20
3.	Indranil Ananda Chatterjee	0.60

2. **Remuneration to Non – Executive Directors:**

The sitting fees paid in Fiscal Year 2011 to the non-executive Directors of our Company, as mentioned in this Red Herring Prospectus, are set forth in the table below:

Sr. No.	Name of the Director	Sitting Fees (In Rs. million)
1.	Dushyant Mehta	0.03
2.	Jyotin Mehta	0.03
3.	Susim Mukul Datta	0.03
4.	Tara Sankar Bhattacharya	0.03

Shareholding of Directors

The shareholding of our Directors as of the date of filing this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Anjan Chatterjee	16,529,905
Suchhanda Chatterjee	11,970,000
Indranil Ananda Chatterjee	19
Susim Mukul Datta	Nil
Tara Sankar Bhattacharya	Nil
Jyotin Mehta	Nil
Dushyant Rajnikant Mehta	Nil
Vishal Satinder Sood	Nil

Our Articles of Association do not require our Directors to hold any qualification shares.

Borrowing Powers of the Board

In accordance with the Article of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in a General Meeting. The Board is authorised to borrow moneys in compliance with the limits specified under the Companies Act.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement with Stock Exchanges. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides the Board detailed reports on its performance periodically.

Currently the Board has eight Directors and the Chairman is a non-executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have four independent Directors, on our Board.

Committees of our Board

Audit Committee

The members of the Audit Committee are:

1. Tara Sankar Bhattacharya, c*hairman*;
2. Jyotin Mehta;
3. Anjan Chatterjee; and
4. Dushyant Mehta.

The Audit Committee was reconstituted by a meeting of the Board held on October 8, 2011. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement of statutory auditor and the fixation of audit fee;
3. Approving of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

5A. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

7. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;.

8. Discussing with internal auditors on any significant findings and following up there on;

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

10. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

11. Investigating the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

13. Approving of appointment of chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate; and

14. Carrying out any other function as is mentioned in terms of reference of the audit committee.

The powers of the Audit Committee shall include the power:

1. To investigate any activity within its terms of reference;

2. To seek information from any employee;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Remuneration Committee

The members of the Remuneration Committee are:

1. Dushyant Rajnikant Mehta, c*hairman*;
2. Vishal Satinder Sood; and
3. Jyotin Mehta.

The Remuneration Committee was constituted by a meeting of our Board held on March 2, 2011. The terms of reference of the Remuneration Committee include the following:

1. 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;

2. To recommend to the Board of Directors, the terms of compensation of the executive directors; and

3. To recommend compensation to the non-executive directors in accordance with the provisions of the Companies Act.

Shareholder/Investor Grievance and Share Transfer Committee

The members of the Shareholder/Investor Grievance and Share Transfer Committee are:

1. Susim Mukul Datta, c*hairman*;
2. Anjan Chatterjee; and
3. Indranil Ananda Chatterjee.

The Shareholders/Investors Grievance and Share Transfer Committee was constituted by a meeting of our Board held on March 2, 2011. This Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Shareholders/Investors Grievance and Share Transfer Committee include the following:

1. Redressal of Shareholders'/Investors' complaints;

2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;

4. Non-receipt of declared dividends, balance sheets of the Company; and

5. Carrying out any other function contained in the Listing Agreement.

Interest of Directors

Our Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Company as well as to the extent of any reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company or our Promoters.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

We acquired Sweet Bengal factory as a going concern with effect from October 1, 2010 from Anjan Chatterjee, our Promoter and Director. For further details see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 225 of this Red Herring Prospectus. Further, certain premises for our restaurant operations have been leased to us by some of our Directors. Except as stated in the section "Related Party Transactions" on page 166 of this Red Herring Prospectus, none of our Directors have any interest in any property acquired by our Company within the preceding two years from the date of this Red Herring Prospectus.

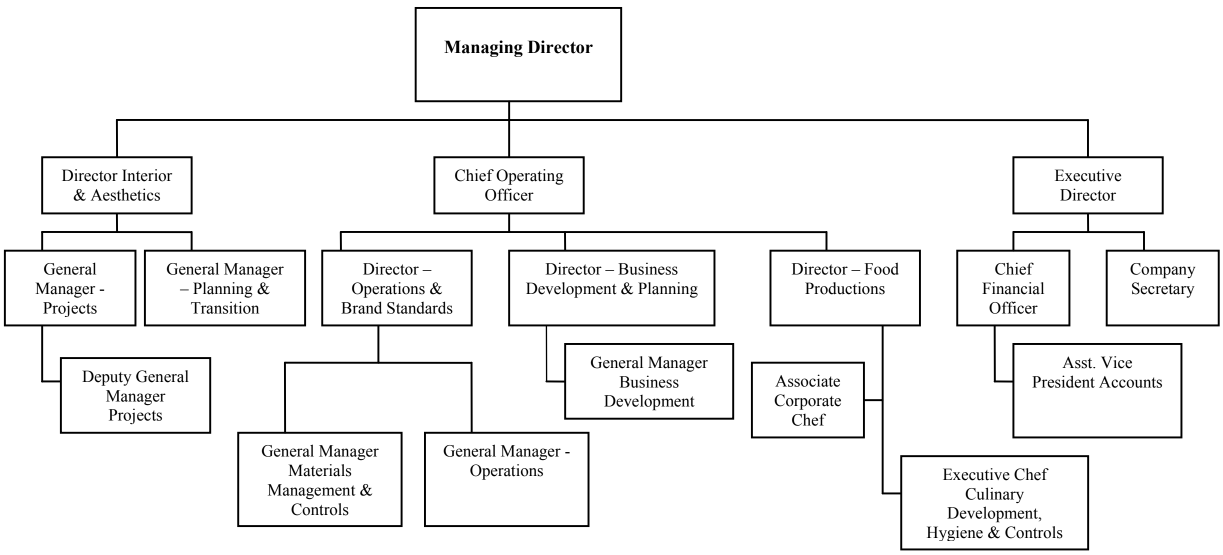
Except as stated in the section "Related Party Transactions" on page 166 of this Red Herring Prospectus and to the extent of shareholding in our Company described herein, if any, our Directors do not have any other interest in our business.

In terms of the SAIF Shareholders' Agreement, Vishal Satinder Sood is a nominee of SAIF on our Board of Directors. The SAIF Shareholders' Agreement shall terminate on and from the date of filing the Prospectus with the RoC. For further details see section "History and Certain Corporate Matters – Shareholders Agreement" on page 140 of this Red Herring Prospectus. Except as stated above, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which our Directors or our key management personnel were selected as director or member of senior management.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Phiroz Savak Sadri	August 18, 2009	Resignation
Dushyant Rajnikant Mehta	August 18, 2009	Appointment
Ravi Chandra Adusumalli	December 17, 2009	Resignation
Vishal Satinder Sood	December 17, 2009	Appointment
Jayanta Chatterjee	February 9, 2011	Resignation
Rajesh Dubey	February 9, 2011	Resignation
Biswajit Mukhopadhyay	February 9, 2011	Resignation
Indraneil Palit	February 9, 2011	Resignation
Jyotin Mehta	February 9, 2011	Appointment
Tara Sankar Bhattacharya	February 9, 2011	Appointment
Susim Mukul Datta	February 9, 2011	Appointment

Management Organisation Chart



Key Management Personnel

Except for Anjan Chatterjee, Suchhanda Chatterjee, Indranil Ananda Chatterjee, the details of other key management personnel of our Company, as of the date of this Red Herring Prospectus, are set forth below.

Indraneil Palit

Indraneil Palit, age 52 years and an Indian national, is the chief operating officer of our Company. He joined our Company on December 1, 1999. He holds a diploma in hotel management, catering technology and applied nutrition, from the State Council for Engineering and Technical Education, West Bengal. He has 28 years of experience in the hospitality industry. Prior to joining our Company, he was a manager at the Indian Hotels Company Limited. During the Fiscal Year 2011, he was paid a gross compensation of Rs. 1.45 million by our Company.

Phiroz Savak Sadri

Phiroz Savak Sadri, age 48 years and an Indian national, is the director of operations and brand standards, not being a member of the Board. He joined our Company on December 1, 1999. He holds a bachelor's degree in commerce from St. Xavier's College, Kolkata and a diploma in hotel management, catering technology and applied nutrition, from the State Council for Engineering and Technical Education, West Bengal. He has 24 years of experience in the hospitality industry. Prior to joining our Company, he was an assistant restaurant manager at Indian Hotels Company Limited. During the Fiscal Year 2011, he was paid a gross compensation of Rs. 1.19 million by our Company.

Jayanta Chatterjee

Jayanta Chatterjee**,** age 40 years and an Indian national, is the director of business development and planning, not being a member of the Board. He joined our Company on December 1, 1999. He holds a bachelor's degree in commerce from B.P. Sinha Memorial Workers College, Dhanbad, Bihar. He has 21 years of experience in the hospitality industry. Prior to joining our Company, he was a catering assistant at Indian Hotels Company Limited. During the Fiscal Year 2011, he was paid a gross compensation of Rs. 1.75 million by our Company.

Rajesh Dubey

Rajesh Dubey, age 47 years and an Indian national, is the director of food production, not being a member of the Board. He joined our Company on October 1, 2000. He holds a diploma in hotel management, catering technology and applied nutrition from the State Council for Engineering and Technical Education, West Bengal. He has 23 years of experience in the hospitality industry. Prior to joining our Company, he was an executive sous chef with Indian Hotels Company Limited. During the Fiscal Year 2011, he was paid a gross compensation of Rs. 1.68 million by our Company.

Rajesh Mohta

Rajesh Mohta, age 45 years and an Indian national, is the chief financial officer of our Company. He joined our Company on September 1, 2006. He holds a bachelor's degree in commerce from University of Calcutta and is an associate member of the Institute of Chartered Accountants of India. He has 23 years of experience in finance and accounts. Prior to joining our Company, he was general manager (finance) at Rockwood Hotels & Resorts Limited. During Fiscal Year 2011, he was paid a gross compensation of Rs. 1.41 million by our Company.

Sanjay Goyal

Sanjay Goyal, age 46 years and an Indian national, is the general manager (materials management and controls). He joined our Company on January 15, 2007. He holds a bachelors' degree in commerce from St. John's College, Agra University, bachelor's degree in law from Faculty of Law, University of Delhi, a diploma in hotel management from the College of Hospitality and Tourism Studies, Lucknow, diploma in international trade management from Narsee Monjee Institute of Management Studies, Mumbai and is a certified purchasing manager from the Institute for Supply Management Inc., USA in association with the Indian Institute of Materials Management, India. He is a graduate member of the All India Management Association. He has 22 years of experience in the hospitality industry. Prior to joining our Company, he was materials manager at one of the leading hotels in India. During Fiscal Year 2011, he was paid a gross compensation of Rs. 1.61 million by our Company.

V.S. Satyamoorthy

V.S. Satyamoorthy, age 55 years and an Indian national, is the company secretary and compliance officer. He joined our Company on April 17, 2008. He holds a bachelor's degree in commerce from Madurai University. He is an associate member of the Institute of Chartered Accountants of India, an associate member of the Institute of Company Secretaries of India and a graduate member of the Institute of Cost and Works Accountants of India. He has 30 years of experience in areas of accounts, finance and secretarial matters. Prior to joining our Company, he was the company secretary and general manager (finance) at a company engaged in the business of manufacturing and marketing edible oils. During Fiscal Year 2011, he was paid a gross compensation of Rs. 0.85 million by our Company.

The key management personnel are permanently employed with our Company as of the date of this Red Herring Prospectus and as per our Company's human resources policy, they are required to retire from employment at the age of 58 years.

Except as stated above on page 145 of this Red Herring Prospectus, none of the key management personnel of our Company are related to each other.

Shareholding of key management personnel

Other than Anjan Chatterjee, Suchhanda Chatterjee and Indranil Ananda Chatterjee, none of our other key management personnel hold any Equity Shares of our Company.

Bonus or profit sharing plan of our key management personnel

Currently, our Company does not have any profit sharing plan with its key managerial personnel.

Changes in our key management personnel

There have been no changes in our key management personnel in the last three years.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Except as mentioned below, no loans have been availed by our Directors or key management personnel from our Company.

Sr. No	Name of the Key Management Personnel/Director	Amount outstanding as on February 29, 2012 (in Rs. Million)
1	Indraneil Palit	0.25

Payment or Benefit to officers of our Company (non – salary related)

Except as stated above, no amount or benefit (non salary related) has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel, including benefits in kind for all capacities and contingent or deferred compensation. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Anjan Chatterjee and Suchhanda Chatterjee are our Promoters.

1. Anjan Chatterjee

Anjan Chatterjee is the Managing Director of our Company. He is an Indian national and resident of India. For further details, see "Board of Directors" in the section "Our Management" on page 142 of this Red Herring Prospectus. His driving license number is MH 02 20090038659. His voter's identification number is MT/08/039/0288334.

Address: 83/84, Oxford Towers, Oshiwara, Andheri (West) Mumbai 400 053

2. Suchhanda Chatterjee

Suchhanda Chatterjee is the whole-time Director of our Company. She is an Indian national and resident of India. For further details, see "Board of Directors" in the section "Our Management" on page 142 of this Red Herring Prospectus. Her driving license number is MH 02 93/19381. Her voter's identification number is not available.

Address: 83/84, Oxford Towers, Oshiwara, Andheri (West) Mumbai 400 053

Our Company confirms that the details of the PAN, bank account number and passport number of our Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with such Stock Exchange.

Interests of Promoters and Common Pursuits

Our Promoters are interested to the extent of their shareholding in our Company. For details of Promoters' shareholding in our Company, see the section "Capital Structure" on page 70 of this Red Herring Prospectus.

Our Company has entered into a marketing and advertising services arrangement with Situations Advertising & Marketing Services Private Limited, which is one of our Group Companies to implement our market research and advertising activities. Further, certain properties have also been leased to us for our restaurant operations by our Promoters and some of our Group Companies. For details, please see the section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

We acquired Sweet Bengal factory as a going concern with effect from October 1, 2010 from one of our Promoters. For further details see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 225 of this Red Herring Prospectus.

Except as stated above, and as provided in the section "Related Party Transactions" on page 166 of this Red Herring Prospectus, our Company has not entered into any contract, agreements or other arrangements during the preceding two years from the date of this Red Herring Prospectus in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Payment of benefits to Promoters

Except as stated in “Related Party Transactions” on page 166 of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the two years prior to the filing of this Red Herring Prospectus.

Confirmations

Further, our Promoters have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws (in India or overseas) committed by our Promoters in the past or are pending against them.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any companies in the last three years.

Promoter Group

Relatives of Promoters

The natural persons who are part of our Promoter Group (due to their relationship with each of our Promoters), other than our Promoters are as follows:

Name of the Person	Relationship with our Promoters
Promoter: Anjan Chatterjee	
Sushamoy Chatterjee	Brother
Mala Mukherjee	Sister
Tripti Bhattacharya	Sister
Avik Chatterjee	Son
Harshita Chatterjee	Daughter
Nellie Sen	Mother of the Spouse
Shantanu Sengupta	Brother of the Spouse
Ashoka Sengupta	Sister of the Spouse
Promoter: Suchhanda Chatterjee	
Nellie Sen	Mother
Shantanu Sengupta	Brother
Ashoka Sengupta	Sister
Avik Chatterjee	Son
Harshita Chatterjee	Daughter
Sushamoy Chatterjee	Brother of the Spouse
Mala Mukherjee	Sister of the Spouse
Tripti Bhattacharya	Sister of the Spouse

Companies/Partnership Firms/ HUFs forming part of Promoter Group

The following companies form part of our Promoter Group:

1. Chatterbox Entertainment Private Limited;

2. Havik Exports Private Limited;

3. Havik Leasing and Financial Services Private Limited;

4. Mainland China Restaurants India Private Limited;

5. Mainland Restaurants Private Limited;

6. Prahari Housing Private Limited;

7. Prosperous Promotors Private Limited;

8. Quik Service Restaurants Private Limited;

9. Shruthi Hotels Enterprises Private Limited;

10. Situations Advertising & Marketing Services Private Limited;

11. Speciality Hotels India Private Limited;

12. Sugarcane Motion Pictures Private Limited;

13. Supriya Tax Trade Private Limited; and

14. Wow Wow Productions Private Limited.

The following partnership firm forms part of our Promoter Group:

1. Print & Graphics.

The following HUF forms part of our Promoter Group:

1. Anjan Chatterjee-HUF.

The following sole proprietorships form part of our Promoter Group:

1. Accord Music Corporation;

2. EHO;

3. Reach; and

4. Swetambara.

GROUP COMPANIES

Companies forming part of Group Companies

Unless otherwise stated, none of the companies forming part of our Group Companies is a sick company under the meaning of SICA and none of the companies are in the process of winding up. Further, all our Group Companies are unlisted companies and they have not made any public issue of securities in the preceding three years.

The Group Companies of our Company are as follows:

Companies forming part of our Group Companies are set forth below:

Sr. No.	Name of the company
1.	Chatterbox Entertainment Private Limited
2.	Havik Exports Private Limited
3.	Havik Leasing and Financial Services Private Limited
4.	Mainland China Restaurants India Private Limited
5.	Mainland Restaurants Private Limited
6.	Prahari Housing Private Limited
7.	Prosperous Promotors Private Limited
8.	Quik Service Restaurants Private Limited
9.	Shruthi Hotels Enterprises Private Limited
10.	Situations Advertising & Marketing Services Private Limited
11.	Speciality Hotels India Private Limited
12.	Sugarcane Motion Pictures Private Limited
13.	Supriya Tax Trade Private Limited
14.	Wow Wow Productions Private Limited

Partnership firms forming part of our Group Companies are set forth below:

Sr. No.	Name of the partnership firm
1.	Print & Graphics

Sole proprietorships forming part of our Group Companies are set forth below:

Sr. No.	Name of the sole proprietorship
1.	Accord Music Corporation
2.	EHO
3.	Reach
4.	Swetambara

HUF forming part of our Group Companies are set forth below:

Sr. No.	Name of the HUF
1.	Anjan Chatterjee – HUF

Trusts forming part of our Group Companies are set forth below:

Sr. No.	Name of the trust
1.	Dr. Snehmoy Chatterjee Educational Foundation

Top five Group Companies

The details of our top five Group Companies (based on turnover) are set forth below:

1. **Situations Advertising & Marketing Services Private Limited ("Situations Advertising")**

Corporate Information

Situations Advertising was incorporated on April 26, 1989 under the Companies Act. Situations Advertising is engaged in the business of advertising, publicity and marketing. Situations Advertising has leased certain properties to our Company for our restaurant operations.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee hold 62.50% and 37.50% respectively, of Situations Advertising.

Financial Information

The brief financial details of Situations Advertising derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	10.00	10.00	10.00
Reserves (excluding revaluation reserves) and surplus	148.07	126.59	117.49
Income (including other income)	403.57	427.46	418.40
Profit after tax	21.48	9.10	10.51
Earning per share[(1)]	214.80	90.96	105.13
Net asset value per share	1,580.69	1,365.89	1,274.93

[(1)] *Equity share of face value of Rs. 100 each*

2. **Prosperous Promotors Private Limited ("Prosperous Promotors")**

Corporate Information

Prosperous Promotors was incorporated on October 8, 2001 under the Companies Act. Prosperous Promotors has leased a property to our Company for our restaurant operations. The main object of Prosperous Promotors is the construction of *inter alia*, residential houses and commercial buildings, flats and factory's shed and buildings.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee each hold 40.00% of Prosperous Promotors.

Financial Information

The brief financial details of Prosperous Promotors derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus	7.69	6.19	5.72
Income (including other income)	6.03	4.69	6.07
Profit after tax	1.50	0.47	1.82
Earning per share[(1)]	149.71	47.03	182.44
Net asset value per share	778.71	629.00	581.98

[(1)] *Equity share of face value of Rs. 10 each*

3. **Havik Exports Private Limited ("Havik Exports")**

Corporate Information

Havik Exports was incorporated on September 29, 1999 under the Companies Act. Havik Exports has leased a property to our Company for our restaurant operations. The main object of Havik Exports is to engage in the business of trading and dealing in all kinds of goods.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee each hold 50.00% of Havik Exports.

Financial Information

The brief financial details of Havik Exports derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus	20.51	17.85	15.98
Income (including other income)	3.53	2.51	3.00
Profit after tax	2.66	1.90	2.31
Earning per share(1)	265.84	190.46	231.16
Net asset value per share	2,061.19	1,795.35	1,607.77

(1) *Equity share of face value of Rs. 10 each*

4. **Shruthi Hotels Enterprises Private Limited ("Shruthi Hotels")**

Corporate Information

Shruthi Hotels was incorporated on December 8, 1989 under the Companies Act. Shruthi Hotels has leased a property to our Company for our restaurant operations. The main object of Shruthi Hotels is to engage in the business of running hotels/restaurants.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee hold 61.00% and 39.00% respectively, of Shruthi Hotels.

Financial Information

The brief financial details of Shruthi Hotels derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	6.42	6.42	6.42
Reserves (excluding revaluation reserves) and surplus	4.58	2.14	0.43
Income (including other income)	3.60	2.71	1.39
Profit after tax	2.44	1.71	0.91
Earning per share(1)	38.08	26.73	14.22
Net asset value per share	171.45	141.16	114.43

(1) *Equity share of face value of Rs. 100 each*

5. **Supriya Tax Trade Private Limited ("Supriya Tax")**

Corporate Information

Supriya Tax was incorporated on March 22, 1996 under the Companies Act. The main object of Supriya Tax is to engage in the business of trading, distributing and dealing in various kinds of merchandise and articles.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee hold 48.46% and 48.29% respectively, of Supriya Tax.

Financial Information

The brief financial details of Supriya Tax derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	29.98	29.98	29.98
Reserves (excluding revaluation reserves) and surplus	4.94	4.33	3.63
Income (including other income)	2.74	2.66	2.22
Profit after tax	0.61	0.70	0.88
Earning per share(1)	0.20	0.23	0.29
Net asset value per share	11.58	11.38	11.14

(1) *Equity share of face value of Rs. 10 each*

Group Companies with negative net worth

The details of all our Group Companies with negative net worth are as follows:

1. **Mainland Restaurants Private Limited ("Mainland Restaurants")**

Corporate Information

Mainland Restaurants was incorporated on May 19, 2004 under the Companies Act. The main object of Mainland Restaurants is to engage in the business of running hotels/motels, holiday camps, guest houses, restaurants, canteens, etc.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee each hold 50.00% of Mainland Restaurants.

Financial Information

The brief financial details of Mainland Restaurants derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus (including miscellaneous expenditures, if any)	(0.07)	(0.06)	(0.04)
Income (including other income)	0.00	0.00	0.00

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Profit after tax	(0.02)	(0.02)	0.00[1]
Earning per share[2]	(1.60)	(1.51)	0.00
Net asset value per share	(7.34)	(5.74)	(4.23)

(1) *Expenditures for Fiscal Year 2009 were capitalised.*

(2) *Equity share of face value of Rs. 10 each*

2. Prahari Housing Private Limited ("Prahari Housing")

Corporate Information

Prahari Housing was incorporated on August 3, 1995 under the Companies Act. The main object of Prahari Housing is to engage in the business of acquiring, developing land, buildings, any estate or interest in and hereditaments.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee hold 99.02% and 0.98% respectively, of Prahari Housing.

Financial Information

The brief financial details of Prahari Housing derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus (including miscellaneous expenditures, if any)	(0.25)	(0.22)	(0.20)
Income (including other income)	0.00	0.00	0.00
Profit after tax	(0.04)	(0.01)	(0.01)
Earning per share[1]	(3.57)	(1.41)	(1.39)
Net asset value per share	(14.93)	(11.36)	(9.94)

(1) *Equity share of face value of Rs. 10 each*

3. Quik Service Restaurants Private Limited ("Quik Service")

Corporate Information

Quik Service was incorporated on June 8, 2007 under the Companies Act. The main object of Quik Service is engaged in the business of running hotels/restaurants, cafes, taverns and rest houses.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee, each hold 50.00% of Quik Service.

Financial Information

The brief financial details of Quik Service derived from its audited financial statements, for Fiscal Year ended March 31, 2011, 2010 and 2009 are set forth below:

(In Rs. million, except share data)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Equity capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus (including miscellaneous expenditures, if any)	(0.01)	(0.01)	(0.03)
Income (including other income)	0.00	0.00	0.00
Profit after tax	(0.03)	(0.01)	(0.01)
Earning per share[(1)]	(2.72)	(1.36)	(1.40)
Net asset value per share	(1.46)	1.26	2.62

[(1)] *Equity share of face value of Rs. 10 each*

Other Group Companies

Details of other Group Companies are as follows:

Companies

1. Havik Leasing and Financial Services Private Limited ("Havik Leasing")

Corporate Information

Havik Leasing was incorporated on January 23, 1996 under the Companies Act. The main object of Havik Leasing is to engage in the business of financing and undertaking and executing various kinds of financial and monetary business operations (except banking and insurance business).

Interest of our Promoters

Anjan Chatterjee, one of our Promoters holds 80.00% of Havik Leasing.

2. Mainland China Restaurants India Private Limited ("MCRIPL")

Corporate Information

MCRIPL was incorporated on April 1, 2004 under the laws of United Kingdom. The main object of MCRIPL is to engage in business as a general commercial company.

Interest of our Promoter

Anjan Chatterjee, one of our Promoters, holds 100.00% of MCRIPL.

3. Speciality Hotels India Private Limited ("Speciality Hotels")

Corporate Information

Speciality Hotels was incorporated on February 4, 1997 under the Companies Act. The main object of Speciality Hotels is to engage in the business of running resorts, hotels/restaurants and lodging houses.

Interest of our Promoters

Our Promoters, Anjan Chatterjee and Suchhanda Chatterjee hold 60.00% and 30.00% respectively, of Speciality Hotels.

4. **Chatterbox Entertainment Private Limited ("Chatterbox Entertainment")**

Corporate Information

Chatterbox Entertainment was incorporated on July 6, 2011 under the Companies Act. The main object of Chatterbox Entertainment is to engage in the business of film production and to exhibit, distribute, give or take on hire, purchase or sell and to deal in any manner in films both of own productions or others production, Indian or foreign, in India or abroad.

Interest of our Promoter

Anjan Chatterjee, one of our Promoters, holds 50.00% of Chatterbox Entertainment.

5. **Sugarcane Motion Pictures Private Limited ("Sugarcane Pictures")**

Corporate Information

Sugarcane Pictures was incorporated on July 11, 2011 under the Companies Act. The main object of Sugarcane Pictures is to engage in the business of film production and to exhibit, distribute, give or take on hire, purchase or sell and to deal in any manner in films both of own productions or others production, Indian or foreign, in India or abroad.

Interest of our Promoter

Anjan Chatterjee, one of our Promoters, holds 50.00% of Sugarcane Pictures.

6. **Wow Wow Productions Private Limited ("Wow Wow Productions")**

Corporate Information

Wow Wow Productions was incorporated on July 11, 2011 under the Companies Act. The main object of Wow Wow Productions is to engage in the business of film production and to exhibit, distribute, give or take on hire, purchase or sell and to deal in any manner in films both of own productions or others production, Indian or foreign, in India or abroad.

Interest of our Promoter

Anjan Chatterjee, one of our Promoters, holds 50.00% of Wow Wow Productions.

Partnerships

1. **Print & Graphics**

Corporate Information

Print & Graphics is a partnership firm formed pursuant to a deed of partnership dated January 12, 1996. Print & Graphics is engaged in the business of preparing artworks, typesettings, spray finishing, photography, studio, processing, graphics and computer graphics, screen printing, offset printing, editing, dubbing and recording.

Interest of our Promoters

Anjan Chatterjee, one of our Promoters, has a 50.00% interest in the profit/loss of Print & Graphics.

Sole Proprietorships

1. **Accord Music Corporation**

Corporate Information

Accord Music Corporation is a proprietorship firm formed in the year 1995. Accord Music Corporation is engaged in the business of music recording.

Interest of our Promoters

One of our Promoters, Suchhanda Chatterjee is the proprietor of Accord Music Corporation.

2. **EHO**

Corporate Information

EHO is a proprietorship firm formed in the year 2009. EHO is engaged in the business of interior designing.

Interest of our Promoters

One of our Promoters, Suchhanda Chatterjee is the proprietor of EHO.

3. **Reach**

Corporate Information

Reach is a proprietorship firm formed in the year 2005. Reach is a clearing and forwarding agent.

Interest of our Promoters

One of our Promoters, Anjan Chatterjee is the proprietor of Reach.

4. **Swetambara**

Corporate Information

Swetambara is a proprietorship firm formed in the year 1995. Swetambara is engaged in business as a merchant exporter.

Interest of our Promoters

One of our Promoters, Suchhanda Chatterjee is the proprietor of Swetambara.

HUFs

1. **Anjan Chatterjee-HUF**

Corporate Information

Anjan Chatterjee-HUF is a Hindu undivided family formed in the year 1995. Anjan Chatterjee-HUF has leased certain properties to our Company for our restaurant operations.

Interest of our Promoters

Anjan Chatterjee is the Karta of the HUF.

Trusts

1. Dr. Snehmoy Chatterjee Educational Foundation

Information

Dr. Snehmoy Chatterjee Educational Foundation is a trust formed pursuant to a trust deed dated April 7, 2004 for the purposes of establishing an educational and charitable institution. Anjan Chatterjee and Suchhanda Chatterjee are the trustees of Dr. Snehmoy Chatterjee Educational Foundation.

Nature and Extent of Interest of Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Red Herring Prospectus with the RoC

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Red Herring Prospectus.

(c) In transactions for acquisition of land, construction of building and supply of machinery

Our Group Companies Situations Advertising, Prosperous Promotors, Shruthi Hotels, Havik Exports and Anjan Chatterjee-HUF have acquired certain properties that have been leased to us for our restaurant and confectionaries. Except as stated above, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery with respect to our business operations.

Common Pursuits amongst our Group Companies with our Company

None of our Group Companies are currently engaged in operations which have common pursuits with us. However, we shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Related Business Transactions within our Group Companies and Significance on the Financial Performance of our Company

For details, please see the section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

Sale/Purchase between Group Companies and the Issuer

For details, please see the section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

Business Interest of Group Companies in our Company

Except as provided in the section "Related Party Transactions" on page 166 of this Red Herring Prospectus none of our Group Companies have any business interest in our Company.

RELATED PARTY TRANSACTIONS

See pages 209 to 217 of this Red Herring Prospectus for a description of the related party transactions.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, subject to the provisions of the Articles of Association of our Company and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements contractual restrictions and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into.

Our Company has no stated dividend policy and has not paid any dividend in the last five years.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's Report

To,
The Board of Directors
Speciality Restaurants Limited ("the Company")
3-A, Gurusaday Road,
Uniworth House,
Kolkata -700 019
West Bengal
India

Dear Sirs,

We have been requested by the Company to furnish a report on the financial information (annexed hereto) in accordance with the terms of our Engagement Letter dated 15 October, 2010 and subsequent amendments thereto dated 1 October 2011 and 2 January 2012 in connection with the proposed Initial Public Offering of equity shares of the Company.

Based on our examination carried out in accordance with the terms of our Engagement Letter (and subsequent amendments thereto) and the applicable guidance of the Institute of Chartered Accountants of India we are to report as follows:

Financial Information as per Restated Summary Statements

1. We have examined, as appropriate (Refer para 5 below), the Restated Summary Statements prepared by the Company in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (SEBI) Regulations (as applicable) and the terms of our engagement agreed with you, which have been approved by the Board of Directors of the Company and are attached in the following Annexures to this report:

   (a) Annexure 1: Restated Summary Statement of Assets and Liabilities as at 31 December 2011, 31 March 2011, 2010, 2009, 2008 and 2007.

   (b) Annexure 2: Restated Summary Statement of Profit and Loss for the period 1 April to 31 December 2011 and for each of the five years ended 31 March 2011, 2010, 2009, 2008 and 2007.

   (c) Annexure 3: Restated Summary Statement of Cash Flows for the period 1 April to 31 December 2011 and for the years ended 31 March 2011, 2010, 2009, 2008 and 2007.

2. Based on our examination of the financial information included in the Restated Summary Statements, as appropriate (Refer para 5 below), we are to state as follows:

   (a) The Restated Summary Statements are based on and have been extracted by the management from the audited financial statements of the Company as at 31 December 2011 and for the period 1 April to 31 December 2011 and as at and for the years ended 31 March 2011, 2010, 2009, 2008 and 2007.

   (b) The financial information in the Restated Summary Statements has been arrived at after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 4: Summary of Significant Accounting Policies and Notes to Accounts.

(c) The Restated Summary Statements have been made after incorporating (i) adjustments for each of the respective years/period (as applicable) in a manner consistent with the accounting policies adopted for the period 1 April to 31 December 2011 and (ii) adjustments for material amounts in the respective years/period to which they relate.

(d) There are no extra-ordinary items that need to be disclosed separately and there are no qualifications in the auditors' reports on the financial statements that require adjustments.

3. Based on our examination of the Restated Summary Statements read with significant accounting policies and notes attached to this report, as appropriate (Refer Para 5 below), we state that in our opinion the 'Restated Summary Statements' and 'Other Financial Information' have been prepared in accordance with Paragraph B of Part II of Schedule II of the Act, the Security and Exchange Board of India Regulations (SEBI) and our Engagement Letter dated 15 October, 2010 and subsequent amendments thereto dated 1 October 2011 and 2 January 2012.

Restated Other Financial Information

4. We have also examined, as appropriate (Refer para 5 below), the following Restated Other Financial Information prepared by the Company and approved by the Board of Directors of the Company, attached to this report:

a. Summary Statement of Other Income - Annexure 5.

b. Statement of Accounting Ratios – Annexure 6.

c. Statement of Capitalisation – Annexure 7.

d. Summary Statement of Debtors – Annexure 8.

e. Statement of Tax Shelters - Annexure 9.

f. Summary Statement of Secured and Unsecured Loans – Annexure 10.

g. Summary Statement of Loans and Advances - Annexure 11.

h. Summary Statement of Investments - Annexure 12.

i. Summary Statement of Key Operational Income and Expenses – Annexure 13(1).

j. Summary Statement of Current Liabilities and Provisions – Annexure 13(2).

k. Summary Statement of Significant Transactions with Related Parties and Balances - Annexures 14a to 14f.

l. Summary Statement of Contingent Liabilities – Annexure 15

m. Summary Statement of Reserves and Surplus – Annexure 16

n. Summary Statement of Fixed Assets – Annexure 17

5. (a) The financial statements as at and for the years ended 31 March 2009, 2008 and 2007 have been audited and reported upon by the Company's previous auditors, M/s B.R. Mittal & Co. and in relation to which we have not carried out any audit tests or review procedures and reliance has been placed by us on the numbers and disclosures made in the audited financial statements.

(b) The restated financial information and other financial information as at and for the years ended 31 March 2009, 2008 and 2007 have been examined and reported upon by M/s B. R

Mittal and Co and we have placed reliance solely on the work performed by them.

6. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no opinion thereon. We have not audited any financial statements of the Company as of any date or for any period subsequent to 31 December 2011. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31 December 2011.

7. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

8. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117366W)

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

MUMBAI,
March 29, 2012

SPECIALITY RESTAURANTS LIMITED

Annexure 1

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Assets and Liabilities of the Company as at each period / year end read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Fixed Assets:						
Gross Block	1,183.33	1,035.03	897.38	730.15	399.53	203.04
Less: Depreciation / Amortisation / Impairment	489.25	409.67	281.63	189.46	105.09	60.99
Net Block	694.08	625.36	615.75	540.69	294.44	142.05
Capital Work in Progress	198.83	101.86	98.93	137.87	164.51	88.93
Total – A	**892.91**	**727.22**	**714.68**	**678.56**	**458.95**	**230.98**
1nvestments - B	**202.98**	**250.73**	**55.48**	**0.02**	**176.57**	**-**
Deferred Tax Asset (Net) - C	**37.27**	**25.63**	**5.34**	**2.27**	**-**	**-**
Current Assets, Loans and Advances						
1nventories	23.01	19.76	12.47	11.08	8.53	6.87
Sundry Debtors	98.56	55.90	21.12	13.59	6.26	3.85
Cash and Bank Balances	80.08	47.81	38.32	9.01	17.02	9.63
Loans and Advances	436.27	346.17	294.06	272.11	263.28	164.21
Total - D	**637.92**	**469.64**	**365.97**	**305.79**	**295.09**	**184.56**
Total Assets - E = (A+B+C+D)	**1,771.08**	**1,473.22**	**1,141.47**	**986.64**	**930.61**	**415.54**
Liabilities and Provisions						
Secured Loans	260.02	138.90	179.22	182.13	225.83	188.53
Unsecured Loans	55.82	58.67	57.58	59.62	56.53	50.00
Current Liabilities and Provisions	328.82	302.67	197.97	190.05	154.01	80.70
Total – F	**644.66**	**500.24**	**434.77**	**431.80**	**436.37**	**319.23**
Deferred Tax Liability (Net) - G	**-**	**-**	**-**	**-**	**2.48**	**4.54**
Total Liabilities - H = (F + G)	**644.66**	**500.24**	**434.77**	**431.80**	**438.85**	**323.77**
Net Worth - (E - H)	**1,126.42**	**972.98**	**706.70**	**554.84**	**491.76**	**91.77**
Represented by						
Share Capital (Including Preference Share Capital)	352.18	349.36	17.08	17.08	17.08	15.00
Share Application Money Pending Allotment	-	-	40.00	-	-	-
Warrants	-	-	-	-	1.67	-
Reserves and Surplus	774.24	623.62	649.62	537.76	473.01	76.77
Net Worth	**1,126.42**	**972.98**	**706.70**	**554.84**	**491.76**	**91.77**

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 4) are an integral part of this statement.

Annexure 2

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

Profits of the Company for each period / year, read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Income:						
Income from Operations	1,497.28	1,731.63	1,288.05	1,156.12	833.28	518.95
Other income	23.83	19.01	9.52	10.03	8.56	3.50
Total	**1,521.11**	**1,750.64**	**1,297.57**	**1,166.15**	**841.84**	**522.45**
Expenditure:						
Materials (Food & Beverage)	390.73	446.45	364.63	337.20	235.58	142.64
Employee Remuneration	313.42	330.39	263.56	230.53	185.27	133.43
Operation, Establishment and Selling Expenses	480.17	573.26	395.50	391.32	286.56	167.21
Depreciation/Amortisation/Impairment	91.29	143.03	114.39	69.35	37.55	21.06
Finance Cost	25.81	16.71	17.24	19.22	17.03	7.74
Total	**1,301.42**	**1,509.84**	**1,155.32**	**1,047.62**	**761.99**	**472.08**
Net Profit before Taxation	**219.69**	**240.80**	**142.25**	**118.53**	**79.85**	**50.37**
Provision for Taxation	69.51	80.57	45.70	43.50	29.44	16.16
Net Profit after Taxation (as per Audited Accounts)	**150.18**	**160.23**	**96.55**	**75.03**	**50.41**	**34.21**
Restatement Adjustments (Refer Note 2 of Annexure 4)	**3.26**	**(3.95)**	**15.31**	**(11.95)**	**(5.82)**	**(3.01)**
Adjusted Profits as restated	**153.44**	**156.28**	**111.86**	**63.08**	**44.59**	**31.20**
Accumulated Profits brought forward	452.58	296.30	184.44	121.36	76.77	45.57
Balance carried to Summary Statement of Assets and Liabilities	**606.02**	**452.58**	**296.30**	**184.44**	**121.36**	**76.77**

The accompanying summary of significant accounting policies and notes to accounts (Annexure- 4) are an integral part of this statement\

Annexure 3

RESTATED SUMMARY STATEMENT OF CASH FLOWS

Cash Flows of the Company for each period / year, read with significant accounting policies, after making adjustments as stated in the notes to accounts, are set out below.

₹ in Millions

PARTICULARS	For the period /year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
A. Cash flows from Operating Activities						
Profit after Tax (as restated)	153.44	156.28	111.86	63.08	44.59	31.20
Add: Provision for tax (as restated)	71.13	78.60	52.02	37.26	27.49	14.96
Profit before tax (as restated)	224.57	234.88	163.88	100.34	72.08	46.16
Adjustments for:						
Depreciation / Amortisation / Impairment	91.29	127.31	95.64	85.10	46.01	26.55
Provision for doubtful debts	1.00	-	-	-	-	-
Provision for doubtful Advances	0.19	1.33	-	-	-	-
Loss on sale of fixed assets	0.16	0.86	6.43	3.72	1.64	0.16
Profit on sale of Fixed Assets	-	(0.19)	-	(0.10)	-	(0.07)
Profit on sale of Investments	(0.36)	-	-	-	-	-
Loss on sale of Investments	0.01	-	-	-	-	-
Exchange (Gain) / Loss	(1.10)	5.81	(1.33)	-	-	-
Interest paid	20.23	13.21	14.27	18.34	16.03	7.57
Interest received	(3.61)	(4.55)	(3.69)	(4.01)	(1.95)	(1.59)
Sundry Balance written off	-	1.26	0.65	0.94	-	-
Sundry Balance written back	(3.36)	(2.33)	(0.03)	(0.64)	(0.97)	(0.82)
Dividend	(13.89)	(11.36)	(0.66)	(3.93)	(3.86)	-
Fixed assets written off	-	-	8.26	-	-	-
Operating Profit before working capital changes	**315.13**	**366.23**	**283.42**	**199.76**	**128.98**	**77.96**
Adjustments for:						
Inventories	(3.26)	(7.29)	(1.39)	(2.55)	(1.65)	(3.11)
Trade and other receivables	(132.83)	(95.58)	(26.89)	(15.29)	(101.90)	(75.38)
Trade payables and provisions	18.33	104.54	25.53	23.50	70.87	12.93
Cash generated from operations	197.37	367.90	280.67	205.42	96.30	12.40
Direct taxes paid	(71.59)	(90.42)	(75.92)	(30.63)	(25.73)	(14.04)
Net Cash generated from / (used in) operating activities	125.78	277.48	204.75	174.79	70.57	(1.64)
B. Cash flows from Investing Activities						
Purchase of fixed assets	(259.36)	(141.05)	(146.43)	(310.44)	(275.68)	(140.61)
Sale of fixed assets	2.21	0.55	-	2.10	0.05	0.32
Purchase of Investments	(731.13)	(195.25)	(55.46)	(0.01)	(176.57)	-
Sale of Investments	779.23	-	-	176.57	-	-
Interest received	3.61	4.55	3.69	4.01	1.95	1.59
Dividend received from other investments	13.89	11.36	0.66	3.93	3.86	-
Net cash used in Investing Activities	**(191.55)**	**(319.84)**	**(197.54)**	**(123.84)**	**(446.39)**	**(138.70)**
C. Cash flows from Financing Activities						

PARTICULARS	For the period /year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Issue of Compulsorily Convertible Preference Shares (CCPS)	-	0.91	-	-	2.08	-
Issue of Warrants	-	-	-	-	1.67	-
Securities Premium received on issue of CCPS & Warrants	-	109.09	-	-	351.64	-
Share Application money received	-	-	40.00	-	-	-
Secured Loans taken	178.40	29.36	36.86	24.95	124.18	182.59
Secured loans repaid	(57.28)	(69.68)	(39.77)	(68.66)	(86.87)	(64.05)
Unsecured Loans taken	-	1.25	-	9.18	44.24	42.38
Unsecured Loans repaid	(2.85)	(0.16)	(2.05)	(6.09)	(37.70)	(9.02)
Interest Paid	(20.23)	(13.21)	(14.27)	(18.34)	(16.03)	(7.57)
Exchange Gain / (Loss)	-	(5.71)	1.33	-	-	-
Net cash generated from / (used in) Financing Activities	**98.04**	**51.85**	**22.10**	**(58.96)**	**383.21**	**144.33**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C) = (D)	**32.27**	**9.49**	**29.31**	**(8.01)**	**7.39**	**3.99**
Cash and cash equivalents at beginning of the period / year (E)	**47.81**	**38.32**	**9.01**	**17.02**	**9.63**	**5.64**
Cash and cash equivalents at end of the period / year (D) +(E)	**80.08**	**47.81**	**38.32**	**9.01**	**17.02**	**9.63**
Components of Cash and Cash Equivalents						
Cash in Hand	8.28	2.12	0.36	0.22	1.48	1.79
Balances with Scheduled Banks						
On Current Accounts	10.21	11.34	6.00	6.38	13.91	7.11
On Fixed Deposit Account	61.59	34.35	31.96	2.41	1.63	0.73
	80.08	47.81	38.32	9.01	17.02	9.63

The accompanying summary of significant accounting policies and notes to accounts (Annexure - 4) are an integral part of this statement.

Annexure 4

Summary of Significant Accounting Policies and Notes to Accounts

Significant Accounting Policies adopted for the period 1 April to 31 December 2011, consistent with which the Restated Summary Statements are made, are set out below.

I. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation of financial statements

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

(b) Use of estimates

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

(c) Fixed Assets, Intangible Assets, Depreciation and Amortization

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

Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenses, as estimated by management, incurred till the date of launching new restaurant outlets to the extent they are attributable to the new restaurant outlets.

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

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

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

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

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

Trademarks are amortized uniformly over a period of five years.

(d) Impairment of Assets

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

(e) Investments

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

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

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

(f) Revenue Recognition

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

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

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

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

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

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

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

(g) Inventories

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

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

(h) Employee Benefits

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

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

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

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

(i) Foreign Currency Transactions

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

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

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

(j) Borrowing costs

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

(k) Income Tax

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

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

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

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

(l) Earnings Per Share

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

(m) Operating leases

Operating lease payments are recognized as an expense in the profit and loss account on the following basis, as applicable:

(i) A percentage of restaurant sales as provided for in the lease agreement

(ii) In the ratio of forecasted sales over the lease period

(n) Initial Public Offering expenses

Initial Public Offering related expenses are carried in the balance sheet to be written off to the Securities Premium account in accordance with section 78 of the Companies Act 1956 and to the extent the Securities Premium account is unable to absorb the costs, expensed to the profit and loss account on completion of listing.

(o) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

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

(p) Contingent liabilities

Contingent Liabilities as defined in Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are disclosed by way of notes to the accounts. Disclosure is not made if the possibility of an outflow of future economic benefits is remote. Provision is made if it becomes probable that an outflow of future economic benefits will be required to settle the obligation.

Annexure 4.1

II. Notes to Accounts (Notes to Accounts are restated, as applicable, and include notes specific to the Restated Summary Statements, set out below).

1. Company Background

Speciality Restaurants Private Limited (SRPL or "the Company") was incorporated on 1 December 1999.The Company is engaged in the business of operating restaurant outlets / sweet shops. The Company also operates restaurants through franchise arrangements by entering into franchisee agreements with third parties in terms of which the third parties are permitted to use the Company's established trademarks.

The name of the company has been changed from 'SPECIALITY RESTAURANTS PRIVATE LIMITED' to 'SPECIALITY RESTAURANTS LIMITED', with effect from 10th February, 2011, consequent to its conversion to a Public Limited Company.

₹ in Millions

2.

	Restatement Adjustments	**For the period / year ended**					
		31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
	Net Profit after taxation (as per audited accounts)	**150.18**	**160.23**	**96.55**	**75.03**	**50.41**	**34.21**
	Adjustments on account of:						
a.	Prior Period Items *	-	5.16	13.27	(12.83)	(8.68)	(4.48)
b.	**Rent Equalisation Adjustment #**	**4.88**	**(11.08)**	**8.36**	**(5.36)**	**0.91**	**0.27**
	Sub- total	4.88	(5.92)	21.63	(18.19)	(7.77)	(4.21)
	Tax Impact	(1.62)	1.98	(7.35)	6.18	2.64	1.42
	Tax Adjusted Restated Adjustments	**3.26**	**(3.94)**	**14.28**	**(12.01)**	**(5.13)**	**(2.79)**
	Restatement Adjustments relating to short/excess provision for tax (As at 31/12/2011 - Rs. 4009)	0.00	(0.01)	1.03	0.06	(0.69)	(0.22)
	Adjusted Profits	**153.44**	**156.28**	**111.86**	**63.08**	**44.59**	**31.20**

*Prior Period Items:

These represent adjustments of material charges or credits which arise in a particular period as a result of errors or omissions in the preparation of financial statements of one or more prior periods and/or material adjustments necessitated by circumstances which though related to previous periods are determined in the current period.

#These represent adjustments to lease rentals which are amortised over the lease period on the basis of forecasted sales, and adjusted in the Profit and Loss account on the basis of actual sales and current sales trends.

3. Contingent liabilities

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Legal cases against the company	169.18	177.47	168.16	3.60	1.60	-
Sales Tax demand	17.44	0.11	0.11	-	-	-
	186.62	177.58	168.27	3.60	1.60	-

4. Capital Commitments

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Estimated amount of unexecuted capital contracts (net of advances)	160.40	135.83	23.27	83.50	37.24	23.94

5. Foreign Currency Exposures

a) *Hedged*

The Company uses forward exchange contracts to hedge its exposure in foreign currency.

The following are the details of the outstanding forward exchange contracts entered into by the Company:

₹ in Millions

Particulars	As at	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Amount Hedged	₹	Nil	Nil	144.76	Nil	Nil	Nil
Currency Hedged	USD	Nil	Nil	3.19	Nil	Nil	Nil
Buy/Sell		NA	NA	Buy	NA	NA	NA
No of Contracts		NA	NA	16.00	NA	NA	NA
The mark to market gain/(loss) attributable to outstanding		Nil	Nil	1.66	Nil	Nil	Nil

Particulars	As at	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
forward exchange contracts							

b) *Unhedged*

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

Amounts receivable in foreign currency on account of the following:

USD in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
	Amount in Foreign Currency	Amount in Foreign Currency	Amount in Foreign Currency	Amount in Foreign Currency	Amount in Foreign Currency	Amount in Foreign Currency
Receivables						
Royalty & Management Fees	0.10	0.05	0.01	Nil	Nil	Nil
Designing fee	0.01	0.01	Nil	Nil	Nil	Nil
Reimbursement of Expenses	0.03	0.03	0.02	Nil	Nil	Nil

₹ in Millions

Particulars	Amount	Amount	Amount	Amount	Amount	Amount
Receivables						
Royalty & Management Fees	5.46	2.31	0.42	Nil	Nil	Nil
Designing fee	0.56	0.50	Nil	Nil	Nil	Nil
Reimbursement of Expenses	1.61	1.24	0.80	Nil	Nil	Nil

6. Employee Benefits

A) *Defined Contribution Plan*

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Company's contribution to Provident and other funds	21.40	24.03	16.64	15.52	12.14	7.94

B) *Defined Benefit Plan:*

Gratuity

₹ in Millions

Particulars		As at					
		31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
a)	**Liability recognized in the Balance Sheet**						
	Present value of obligation as at the beginning	21.92	17.33	14.75	9.90	6.79	4.80
	Service Cost	4.47	4.85	4.26	3.33	2.32	1.58
	Interest Cost	1.61	1.66	1.29	1.02	0.69	0.46
	Actuarial (gain) / loss on obligation	(3.69)	(0.93)	(2.25)	0.94	0.10	(0.05)
	Benefits paid	(0.84)	(0.99)	(0.72)	(0.44)	-	-
	As at the period / year end	**23.47**	**21.92**	**17.33**	**14.75**	**9.90**	**6.79**
	Less: Fair value of plan assets						
	Opening fair value of plan assets	8.70	6.17	4.49	3.56	1.05	0.96
	Expected return on plan assets	0.65	0.68	0.50	0.38	0.15	0.13
	Actuarial loss / (gain)	0.04	0.02	(0.02)	(0.04)	(0.01)	(0.04)
	Contribution by Employer	4.04	2.82	1.91	1.03	2.37	-
	Benefits paid	(0.84)	(0.99)	(0.71)	(0.44)	-	-
	Closing fair value of plan assets	**12.59**	**8.70**	**6.17**	**4.49**	**3.56**	**1.05**
	Net Liability	**10.88**	**13.22**	**11.16**	**10.26**	**6.34**	**5.74**
b)	**Expense during the period / year (included under Salaries, Bonus and Allowances)**						
	Service cost	4.47	4.85	4.26	3.33	2.32	1.58
	Interest Cost	1.61	1.66	1.29	1.02	0.69	0.46
	Expected return on Plan Assets	(0.65)	(0.68)	(0.50)	(0.38)	(0.15)	(0.13)
	Actuarial Loss / (Gain)	(3.74)	(0.95)	(2.23)	0.98	0.11	0.01
	Total	**1.69**	**4.88**	**2.82**	**4.95**	**2.97**	**1.92**
c)	**Break up of plan assets as a percentage of total plan assets**						
	Insurer Managed Funds	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
d)	**Expected rate of return on plan assets**						
	Insurer Managed Funds	**9.15%**	**9.15%**	**9.15%**	**9.15%**	**9.15%**	**9.15%**
e)	**Principal Assumptions**						
	Discount rate	**8.50%**	**8.05%**	**7.75%**	**7.00%**	**8.00%**	**7.95%**
	Salary escalation	**6%**	**6%**	**6%**	**6%**	**6%**	**6%**
	Attrition rate						
	Age bracket of 21 – 57 years	**1% to**	**1% to**	**1% to**	**1% to**	**1% to**	**1% to**

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
	15%	**15%**	**15%**	**15%**	**15%**	**15%**

In assessing the Company's Post Retirement Liabilities the company monitors mortality assumptions and uses up-to-date mortality tables, the base being the LIC 1994-96 ultimate tables.

The Company operates a funded gratuity plan for qualifying employees. Under the plan, the employees are entitled to gratuity benefits based on final salary at retirement.

The Company makes provision in the books based on third party actuarial valuations.

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

f) Other disclosures:

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Defined Benefit Obligation	23.47	21.92	17.33	14.75	9.90	6.79
Plan Assets	12.59	8.70	6.17	4.49	3.56	1.05
Surplus / (Deficit)	(10.88)	(13.22)	(11.16)	(10.26)	(6.34)	(5.74)
Experience Adjustments on Plan Liabilities	(2.70)	(0.29)	(0.84)	(0.54)	0.15	0.27
Experience Adjustments on Plan Assets	0.04	0.02	(0.02)	(0.04)	(0.01)	(0.04)

7. Borrowing Costs

Borrowing costs capitalised are as follows:

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Borrowing Costs Capitalised	-	-	-	7.51	6.17	0.94

8. Assets taken on lease

a) Disclosures in respect of operating leases

1. Future minimum lease payments in respect of non-cancellable leases for the non-cancellable period are as follows:

₹ in Millions

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Payable not later than one year	41.86	49.26	90.70	78.61	51.07	23.28
Payable later than one year but not later than five years	48.83	39.69	88.95	120.37	93.41	49.39
Payable later than five years	-	-	-	-	-	2.93

2. Lease payments recognized in the restated summary of profit and loss:

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Minimum Lease payments	180.29	227.16	165.85	151.91	102.06	45.96
Contingent Rents	22.54	22.01	20.15	11.66	7.67	4.53
	202.83	249.17	186.00	163.57	109.73	50.49

3. Premises are taken on Lease for periods ranging from 2 to 50 years with a non- cancellable period at the beginning of the agreement ranging from 2 to 9 years

4. Contingent rent for certain restaurant outlets is payable in accordance with the leasing agreement as the higher of:

   i) Fixed minimum guarantee amount and;

   ii) Revenue share percentage

b) *Disclosures in respect of finance leases:*

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

₹ in Millions
Due not later than one year

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Total minimum future lease payments	1.36	1.39	1.66	0.83	0.10	Nil
Less: Finance Charge on future lease payments	0.21	0.17	0.25	0.17	0.03	Nil
Present Value of lease payments	1.15	1.22	1.41	0.66	0.07	Nil

₹ in Millions

Due later than one year but not later than five years

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Total minimum future lease payments	1.63	0.90	0.82	1.05	0.16	Nil
Less: Finance Charge on future lease payments	0.15	0.06	0.07	0.08	0.02	Nil
Present Value of lease payments	1.48	0.84	0.75	0.97	0.14	Nil

2. Details of Vehicles taken on Finance Lease are set out hereunder

₹ in Millions

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Gross Block	5.70	5.61	4.23	3.18	-	-
Accumulated Depreciation	1.50	1.93	1.05	0.10	-	-
Written Down Value	4.20	3.68	3.18	3.08	-	-

3. Assets are taken on lease for periods ranging from 3 to 4 years

9. Taxation

a) Provision for Taxation includes:

₹ in Millions

Particulars	For the year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Current Tax	82.77	98.89	55.10	40.41	28.10	14.77
Deferred Tax	(11.64)	(20.29)	(3.08)	(4.75)	(2.06)	(0.71)
Fringe Benefit Tax	-	-	-	1.60	1.45	0.90
Total	**71.13**	**78.60**	**52.02**	**37.26**	**27.49**	**14.96**
Tax impact on Restated Adjustments	(1.62)	1.97	(6.32)	6.24	1.95	1.20
Provision for Tax (as per Audited Accounts)	**69.51**	**80.57**	**45.70**	**43.50**	**29.44**	**16.16**

b) The major components of the Deferred Tax (Asset)/Liability (Net) balance, as restated, are set out below:

₹ in Millions

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Depreciation	(37.14)	(25.47)	1.42	(1.04)	0.14	1.03
Others	(0.13)	(0.16)	(6.76)	(1.23)	2.34	3.51

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Total	**(37.27)**	**(25.63)**	**(5.34)**	**(2.27)**	**2.48**	**4.54**

10. Earnings per Share

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Net Profit after Taxation for Equity Shareholders for Basic & Diluted Earnings per share	153.44	156.28	111.86	63.08	44.59	31.20
Weighted Average Number of Equity Shares for Basic Earnings Per Share (Refer note 1 below) (Number of shares in Millions)	29.53	28.53	28.53	28.53	28.53	28.53
Weighted Average Number of Equity Shares for Diluted Earnings Per Share (Refer note 2 below) (Number of shares in Millions)	29.53	35.21	35.13	35.13	34.97	28.53
Earnings Per Share (Equity shares, Par value Rs. 10 each)						
Basic in ₹	5.20	5.48	3.92	2.21	1.56	1.09
Diluted in ₹	5.20	4.44	3.18	1.80	1.27	1.09

Note 1: Reconciliation of number of shares for calculation of Basic Earnings per share

(Number of Shares in Millions)

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Number of shares outstanding at the beginning of the year.	1.50	1.50	1.50	1.50	1.50	1.50
Weighted average number of Equity shares on conversion of Compulsorily Convertible Preference shares (As at 31/03/2011 - 248 shares).	1.00	0.00	-	-	-	-
Adjustment for Bonus shares issued	27.03	27.03	27.03	27.03	27.03	27.03
Number of shares outstanding at the end of the year	**29.53**	**28.53**	**28.53**	**28.53**	**28.53**	**28.53**

Note 2: Reconciliation of number of shares for calculation of Diluted Earnings per share

(Number of Shares in Millions)

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Weighted Average Number of Equity Shares for calculating Basic Earnings per share	29.53	28.53	28.53	28.53	28.53	28.53

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Weighted Average Number of Compulsorily Convertible Preference Shares	-	0.30	0.22	0.22	0.06	-
Add: Share Application Money (As at 31/03/2010 - 232 shares)	-	-	0.00	-	-	-
Add: Adjustment for Bonus Compulsorily Convertible Preference shares issued	-	6.38	6.38	6.38	6.38	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	**29.53**	**35.21**	**35.13**	**35.13**	**34.97**	**28.53**

11. Managerial Remuneration

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Salaries and Allowances	3.15	8.10	9.40	10.80	8.33	6.01
Perquisites	-	-	-	-	-	0.03
	3.15	**8.10**	**9.40**	**10.80**	**8.33**	**6.04**

Note:

Managerial remuneration excludes contributions to group gratuity schemes where the individual amounts are not ascertainable

12. Payment to Auditors (including Service Tax)

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
As Auditors:						
Audit Fees	5.21	5.85	0.88	0.75	0.64	0.38
As Advisors:						
In respect of certification matters	-	-	-	0.76	0.51	0.36
	5.21	**5.85**	**0.88**	**1.51**	**1.15**	**0.74**

13. Earnings in foreign currency (Accrual basis)

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Initial Access Premium Fee	0.13	0.17	0.16	-	-	-
Royalty and Management Fees	2.42	2.91	0.42	-	-	-
Designing Fee	-	0.50	-	-	-	-
	2.55	**3.58**	**0.58**	**-**	**-**	**-**

14. **Expenditure in foreign currency (on payment basis)**

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Legal and Professional Fees	6.81	2.42	0.46	0.07	14.49	0.26
Travel	-	-	0.03	0.18	-	-
Operating Supplies	2.51	1.54	-	-	-	-
	9.32	**3.96**	**0.49**	**0.25**	**14.49**	**0.26**

15. **CIF Value of Imports**

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Capital Goods	-	0.44	0.81	2.09	-	-
	-	**0.44**	**0.81**	**2.09**	**-**	**-**

16. **Micro, Small and Medium Enterprises**

The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company and receipt of confirmations from such parties. This has been relied upon by the auditors.

17. **Segment Reporting**

The Company is engaged in the food business which, in the context of Accounting Standard 17 on Segment Reporting constitutes a single reportable business segment.

Fixed Assets (Capital Work In Progress) include segment assets relating to non reportable segments which are as follows:

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Fixed Assets (Capital Work In Progress)	73.67	50.12	37.56	36.34	-	-

18. Related party disclosures are included in Annexures14a to 14f.

19. Quantitative information as per the provisions of Part II of Schedule VI of the Companies Act, 1956 has not been disclosed pursuant to the exemption granted by the Government of India vide its notification dated 8th February, 2011.

20. The Company has on 21 November 2011 converted all the outstanding compulsorily convertible preference shares into equity shares as follows:

	No. of compulsorily convertible preference shares converted	No. of equity shares allotted on conversion
SAIF III Mauritius Company Limited	4,695,755	4,977,500
Glix Securities Private Limited	1,710,000	1,710,000

21. Dividend

The Company has not paid/declared any dividend to its shareholders for the period / years ended 31 December 2011, 31 March 2011, 2010, 2009, 2008 and 2007.

22. Acquisition of Sweet Bengal factory

a. Pursuant to the agreement for assignment of business dated October 1, 2010, the company has acquired Sweet Bengal, Factory, a sole proprietary concern of its Managing Director, Mr. Anjan Chatterjee.

b. The Assets and Liabilities have been taken over at their book values. The Purchase Consideration of Rs. 1,153,876, payable by the company has been considered as a non-Interest bearing unsecured loan from the Managing Director.

23. Comparatives

Figures of the previous years have been regrouped / reclassified wherever necessary to correspond to the figures of the latest period presented, i.e., 1 April - 31 December 2011.

Annexure 5

SUMMARY STATEMENT OF OTHER INCOME

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Other income	23.83	19.01	9.52	10.03	8.56	3.50
Net profit before tax (as restated)	224.57	234.88	163.88	100.34	72.08	46.16
Other Income as a percentage of Net Profit Before Tax (as restated)	10.61%	8.09%	5.81%	10.00%	11.88%	7.58%

Annexure 6

STATEMENT OF ACCOUNTING RATIOS

₹ in Millions
(Unless Otherwise Stated)

Particulars	For the period / year ended						
	31/12/11		31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Earnings Per Share (Equity Shares, Par Value of Rs. 10/- each)							
Basic in Rs.	5.20	#	5.48	3.92	2.21	1.56	1.09
Diluted in Rs.	5.20	#	4.44	3.18	1.80	1.27	1.09
Return on net worth %	14%	#	17%	17%	11%	9%	34%
Net asset value per equity share (Rs.) @	38.14		31.86	23.30	19.37	17.11	3.22
Weighted average number of equity	29,527, 787		28,529,372	28,529,124	28,529,124	28,529,124	28,529,124
shares outstanding during							
the period / year for calculation of							
Basic Earnings per Share							
Weighted average number of equity	29,527, 787		35,206,555	35,127,955	35,127,723	34,964,384	28,529,124
shares outstanding during							
the period / year for calculation of							
Diluted Earnings per Share							

Not Annualised

@ Net Asset Value Per share:

₹ in Millions

Particulars	For the period / year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Net Worth as restated (A)	1,126.42	972.98	706.70	554.84	491.76	91.77
Less: Revaluation Reserve (B)	-	-	-	-	-	-
Less: Preference Share Capital (CCPS) ('C)	-	64.06	2.08	2.08	2.08	-
Less: CCPS Application Money (D)	-	-	40.00	-	-	-
Less: CCPS Warrants (E)	-	-	-	-	1.67	-
Net Worth (F= A - B - C - D - E)	1,126.42	908.92	664.62	552.76	488.01	91.77
No. of Equity Shares outstanding at the end of the period/ year * (G)	29.53	28.53	28.53	28.53	28.53	28.53
Net Asset Value per Equity Share (F/G)	38.14	31.86	23.30	19.37	17.11	3.22

* Number of Shares considered for computation of NAV per equity share is based on the absolute number of equity shares outstanding at the period / year end.

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (Rs) : $\dfrac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$

Diluted Earnings per share (Rs) : $\dfrac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the period / year}}$

Return on net worth (%) : $\dfrac{\text{Net profit after tax, as restated}}{\text{Net worth as restated, excluding revaluation reserve and preference share capital (including Share Application money and Warrants relating to preference share capital) at the end of the period / year}}$

Net asset value (NAV) per equity share (Rs) : $\dfrac{\text{Net worth as restated, excluding revaluation reserve and preference share capital (including Share Application money and Warrants relating to preference share capital) at the end of the period / year}}{\text{Number of equity shares outstanding at the end of the period / year ^}}$

^ Number of Shares considered for computation of NAV per equity share is based on the absolute number of equity shares outstanding at the period / year end.

2. Net profit, as restated, as appearing in the Statement of profits and losses, has been considered for the purpose of computing the above ratios.

   These ratios are computed on the basis of the restated financial Information of the Company.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” issued by the Institute of Chartered Accountants of India.

4. The Company has on 21 November 2011 converted all the outstanding compulsorily convertible preference shares into equity shares as follows:

	No. of compulsorily convertible preference shares converted	**No. of equity shares allotted on conversion**
SAIF III Mauritius Company Limited	4,695,755	4,977,500
Glix Securities Private Limited	1,710,000	1,710,000

Annexure 7

STATEMENT OF CAPITALISATION

₹ in Millions

Particulars	**Pre-Issue (as at 31/12/11)**	**Post Issue ***
Secured Loans	260.02	
Unsecured Loans	55.82	
Total debt	**315.84**	
Shareholders' funds		
- Share capital	352.18	
- Reserves & Surplus	774.24	
Total Shareholder's funds	**1,126.42**	
Debt/equity	**0.28**	

Notes:

* Share Capital and Reserves & Surplus post issue can be calculated only on the conclusion of the book building process.

Annexure 8

SUMMARY STATEMENT OF DEBTORS

₹ in Millions

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Debts outstanding for a period exceeding six months						
- considered good	45.11	22.28	0.20	0.23	0.53	0.18
- considered doubtful	1.00	-	-	-	-	-
Other debts						
- considered good	53.45	33.62	20.92	13.36	5.73	3.67
- considered doubtful	-	-	-	-	-	-
Less: Provision	1.00	-	-	-	-	-
Total	**98.56**	**55.90**	**21.12**	**13.59**	**6.26**	**3.85**
The above includes the following debts due from the promoter group						
Due from Directors Anjan Chatterjee (Rs.13,571)	-	-	-	-	0.01	-

Annexure 9

STATEMENT OF TAX SHELTERS **(Unless otherwise stated)**

₹ in Millions

Particulars	**For the year ended**				
	31/03/11	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Profit before tax, as audited	240.80	142.25	118.53	79.85	50.37
Restated Adjustments (Refer Note 2 of Annexure 4)	(5.92)	21.63	(18.19)	(7.77)	(4.21)
Profit before current and deferred taxes, as restated	**234.88**	**163.88**	**100.34**	**72.08**	**46.16**
Notional tax rate (%)	33.22%	33.99%	33.99%	33.99%	33.66%
Tax expense at Notional Rate	78.03	55.70	34.11	24.50	15.54
Permanent Differences					
Expenses disallowed / (allowed)	1.43	(6.80)	0.78	0.22	-
Dividend Income	(11.36)	(0.66)	(3.93)	(3.86)	-
Total	(9.93)	(7.46)	(3.15)	(3.64)	-
Temporary Differences					
Difference between book Depreciation and tax depreciation	**40.51**	**18.55**	**(4.28)**	**(3.44)**	**(0.27)**
(Profit)/Loss on sale of assets	(0.13)	6.43	3.62	1.64	-
Others	22.36	0.58	(0.79)	5.72	(6.85)
Total	62.74	25.56	(1.45)	3.92	(7.12)
Net Adjustment	52.81	18.10	(4.60)	0.28	(7.12)
Tax (saving) / charge thereon	17.54	6.15	(1.56)	0.10	(2.40)
Net impact	35.27	11.95	(3.04)	0.18	(4.72)
Tax impact of adjustments	1.97	(6.32)	6.24	1.95	1.20
Taxable Income as restated	287.69	181.98	95.74	72.36	39.04
Taxable Income as per Return	293.60	160.35	113.92	80.13	43.24
Tax on Total Taxable Income	**95.57**	**61.85**	**32.55**	**24.60**	**13.14**
Total Tax as per return	**97.53**	**55.06**	**40.17**	**27.96**	**14.57**
Provision for current domestic tax as restated	**78.60**	**52.02**	**37.26**	**27.49**	**14.96**
Provision for foreign taxes as restated	-	-	-	-	-
Total tax expenses as restated	**78.60**	**52.02**	**37.26**	**27.49**	**14.96**

Annexure 10

SUMMARY STATEMENT OF SECURED & UNSECURED LOANS

1) Secured Loans

₹ in Millions

Particulars	**As at**					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
From Banks						
Foreign Currency Non Resident Loan	-	-	143.87	-	-	-
Others	260.02	138.90	35.35	182.13	225.83	188.53
Total	**260.02**	**138.90**	**179.22**	**182.13**	**225.83**	**188.53**

Secured Loans - Terms and Conditions

Type of Facility	**As at**								
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**	**Date of Availment**	**Rate of Interest and Repayment Schedule**	**Security**
Kotak Mahindra Bank									
1) Cash Credit Facilities	88.87	29.89	2.07	41.84	38.37	60.90	Various dates	Interest Rate - 13.75% pa Payable on demand	Refer Note 2 below
2) Term Loan	109.88	-	-	-	-	-	11.08.2011	Interest Rate - 11.75% pa Repayable in 10 Semi Annual Installments falling due on Dec 11, June 12 for a tenor of 5 years.	Refer Note 4 below
3) Car loan	-	-	0.06	0.15	0.22	-	29.11.07	IRR - 13.986% Tenor - 35months	Refer Note 3 below
	-	0.08	0.30	0.50	-	-	20.08.08	IRR - 12.208% Tenor - 36months	
	-	0.08	0.30	0.50	-	-	31.07.08	IRR - 11.976% Tenor - 36months	
	-	0.10	0.31	0.49	-	-	15.09.08	IRR - 12.401% Tenor - 36months	
Total	**-**	**0.26**	**0.97**	**1.64**	**0.22**	**-**			
State Bank of Hyderabad									
Corporate loan	-	-	-	76.57	94.06	35.97	11.10.06	Interest Rate - 9.25% pa Repayable in Quarterly Installments	Refer Note 1. b below for 2006-2007 Refer Note 1. b below

Type of Facility	As at								
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07	Date of Availment	Rate of Interest and Repayment Schedule	Security
								falling due onJune 30, Sept 30, December 31, March 31 for a tenor of 2 years.	for 2007-2008 Refer Note 1. c below for 2008-2009
Other secured loan	-	-	-	-	-	1.00	16.03.07	Interest rate - 9%	Secured by a charge on Keyman Insurance Policy
State Bank of India									
1) Car loan	0.01	0.13	0.22	-	-	-	31.07.09	8% - for the 1st year and subsequently 10%.Tenor - 36 months	Refer Note 3 below
	0.08	0.25	0.47	-	-	-	01.12.09	Interest Rate - 10% Tenor 36 mths	
	0.10	0.35	0.50	-	-	-	31.07.09	8% -for the 1st year and subsequently 10%.Tenor - 36 months	
Total	**0.19**	**0.73**	**1.19**	**-**	**-**	**-**			
2) Foreign Currency Non Resident Loan	-	-	143.87	-	-	-	22.09.09 24.12.09	6 mth LIBOR + Interest rate ranging from 4.75% to 5.25% Repayable in Quarterly Installments falling due on June 30, Sept 30, December 31, March 31 for a tenor of 1 year	Refer Note 1 below for 2009-2010 Refer Note 1 below for 2010-2011 Refer Note 1 below for December 2011
3) Corporate loan / Term Loan	58.66	106.95	31.12	62.08	93.18	90.66	15.09.08 24.04.06 30.09.05	Corporate Loan - SBAR + 0.5% Term Loan - 13.5% p.a. Repayable in Quarterly Installments falling due on June 30, Sept 30, December 31, March 31 for a tenor ranging from 2 to 5 years.	Refer Note 1. (a), ('c) below for 2006-2007. Refer Note 1. (a), ('c) below for 2007-2008. Refer Note 1. (a), (b), (d), (e) below for 2008-2009. Refer Note 1 below for 2009-2010. Refer Note 1 below for 2010-2011. Refer Note 1 below for December 2011

Type of Facility	As at						Date of Availment	Rate of Interest and Repayment Schedule	Security
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07			
HDFC									
1) Car Loan	0.28	0.43	-	-	-	-	01.04.10	Interest Rate - 9.49% p.a Tenor - 36months	Refer Note 3
	0.22	0.30	-	-	-	-	22.09.10	Interest Rate - 11% p.a Tenor - 36months	Refer Note 3
	0.24	0.34	-	-	-	-	10.08.10	Interest Rate - 9.5% p.a Tenor - 36months	Refer Note 3
	0.97	-	-	-	-	-	23.12.11	Interest Rate - 11.5% p.a Tenor - 36months	Refer Note 3
	0.71	-	-	-	-	-	29.12.11	Interest Rate - 10.5% p.a Tenor - 36months	Refer Note 3
Total	**260.02**	**138.90**	**179.22**	**182.13**	**225.83**	**188.53**			

2) Unsecured loans

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Anjan Chatterjee	21.55	21.55	20.40	20.40	19.16	17.29
Anjan Chatterjee HUF	2.06	2.06	2.06	2.06	1.92	1.79
Avik Chatterjee	4.40	4.40	4.46	4.46	4.16	3.88
Harshita Chatterjee	4.84	4.84	4.84	4.84	4.52	4.22
Suchhanda Chatterjee	22.97	22.97	22.97	23.11	21.65	19.38
Pushpanjali Marketing Pvt. Ltd	-	-	-	0.61	0.61	2.31
Span Promotions Pvt. Ltd.	-	-	-	-	0.03	0.03
Supriya Tax trade Pvt Ltd.	-	-	-	1.10	1.10	1.10
Indranil Chatterjee	-	-	-	-	0.33	-
Indroneil Chatterjee-HUF	-	2.85	2.85	3.04	3.05	-
Total	**55.82**	**58.67**	**57.58**	**59.62**	**56.53**	**50.00**

Unsecured Loans - Terms and Conditions

Lender	Year of Availment	Term of Loan (in months) and Repayment Schedule	Rate of Interest
Anjan Chatterjee	**2000 and 2011**	The loans have not been given for a fixed tenure. There is no repayment schedule. However, per the term sheets of the Secured Lenders, the unsecured loans given by the Promoter Group and others cannot be called back before repayment of the secured loans taken by the Company.	Interest is payable on the loans at the rate of 9.5 % p.a. Interest pertaining to the years ended 31 March 2010, 2011 and period ended 31 Dec 2011 has been waived off in the respective financial years/period by the lenders.
Anjan Chatterjee HUF	**2006**		
Avik Chatterjee	**2005**		
Harshita Chatterjee	**2005**		
Suchhanda Chatterjee	**2000**		
Indroneil Chatterjee-HUF	**2008**		

Notes: Promoter and Promoter group comprises the following:

Promoters:

Anjan Chatterjee

Suchhanda Chatterjee

Relatives of Promoters:

Avik Chatterjee

Harshita Chatterjee

Group companies/firms consisting of the following:

Anjan Chatterjee HUF

Supriya Tax trade Private Limited

Notes:

Details of Security

2006-2007

1. Secured by:

   a. First charge on the present and future goods, book debts and all other movable assets including documents of title to the goods, outstanding money claims, receivables (including receivables by way of cash assistance and /or cash incentives under the Cash Incentive Scheme or any other Scheme), claims (including claims by way of refund of customs/ excise duties under the Duty Drawback Credit Scheme or any other scheme), bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and all the present machinery listed in the schedule to the agreement and all future machinery belonging to or in the possession or under the control of the borrower wherever in possession of the borrower or of the bank or any third party whether in India or elsewhere throughout the world (including all such goods, other movable assets as may be in the course of shipment, transit or delivery) by way of first charge.

   b. Hypothecation charge over entire Fixed Assets, Movable Assets and entire Current Assets excluding the charge on credit card receivables charged to Kotak Mahindra Bank on Pari Passu basis.

   c. Personal guarantees of Promoter Directors and Corporate Guarantee of M/s. Situations Advertising and Marketing Services Private Limited (entities over which two directors are able to exercise control).

2. a. First and exclusive charge on the entire credit card receivables due to the Borrower both present and future.

   b. First pari passu charge over the Current Assets except credit card receivables (both present and future) to be shared with SBI.

   c. First pari passu charge over the fixed assets of the company (both present and future) to be shared with SBI.

   d. Extension of mortgage of property of Situations Advertising and Marketing Services Private Limited located at offices 301 to 305, 501 to 505, Hari Om Chambers, Veera Industrial Estate, New Link Road, Andheri (W) (an entity over which two Directors are able to exercise control).

   e. Secured by a charge on the Keyman Insurance Policy.

2007-2008

1. Secured by:

   a. First charge on the present and future goods, book debts and all other movable assets including documents of title to the goods, outstanding money claims, receivables (including receivables by way of cash assistance and /or cash incentives under the Cash Incentive Scheme or any other Scheme), claims (including claims by way of refund of customs/ excise duties under the Duty Drawback Credit Scheme or any other scheme), bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and all the present machinery listed in the schedule to the agreement and all future machinery belonging to or in the possession or under the control of the borrower wherever in possession of the borrower or of the bank or any third party whether in India or elsewhere throughout the world (including all such goods, other movable assets as may be in the course of shipment, transit or delivery) by way of first charge.

b. Hypothecation charge over entire Fixed Assets, Movable Assets and entire Current Assets excluding the charge on credit card receivables charged to Kotak Mahindra Bank on Pari Passu basis.

c. Personal guarantees of Promoter Directors and Corporate guarantee of M/s. Situations Advertising and Marketing Services Private Limited (entities over which two directors are able to exercise control).

2. First and exclusive charge on the entire credit card receivables due to the Borrower (both present and future).

3. Secured by a specific charge on the assets purchased.

2008-2009

1. Secured by:

a. First charge on the present and future goods, book debts and all other movable assets including documents of title to the goods, outstanding money claims, receivables (including receivables by way of cash assistance and /or cash incentives under the Cash Incentive Scheme or any other Scheme), claims (including claims by way of refund of customs/ excise duties under the Duty Drawback Credit Scheme or any other scheme), bills, invoices, documents, contracts, insurance policies, guarantees, engagements, securities, investments and rights and all the present machinery listed in the schedule to the agreement and all future machinery belonging to or in the possession or under the control of the borrower wherever in possession of the borrower or of the bank or any third party whether in India or elsewhere throughout the world (including all such goods, other movable assets as may be in the course of shipment, transit or delivery) by way of first charge.

b. Equitable mortgage charges over the WBIDC land at Sub - Central Business, Kolkata and the plot of land under WBIDC in Food Park, Kandua, Howrah District, West Bengal, India.

c. Hypothecation charge over entire Fixed Assets, Movable Assets and entire Current Assets excluding the charge on credit card receivables charged to Kotak Mahindra Bank on Pari Passu basis.

d. Charge over the immovable properties in West Bengal and Kolkata.

e. Personal guarantees of two Directors and Corporate guarantees of M/s. Situations Advertising and Marketing Services Private Limited and M/s. Prosperous Promotors Private Limited (entities over which two directors are able to exercise control).

2. First and exclusive charge on the entire credit card receivables due to the Borrower (both present and future).

3. Secured by a specific charge on the assets purchased.

2009-2010

1. Secured by:

   (a) Hypothecation of existing and future fixed and movable assets of the Company and entire current assets of the Company excluding charge on credit card receivables.

   (b) Extension of equitable mortgage over Plot No.4, Local Shopping Centre, Masjid Moth, New Delhi 110048 in the name of M/s. Prosperous Promotors Private Limited (an entity over which two Directors are able to exercise control).

   (c) Extension of equitable mortgage over Unit Nos. 103 to 106, First Floor, Shalimar Morya Park, Veera Industrial Estate, Andheri (W), Mumbai - 400 053 in the name of M/s. Situations Advertising and Marketing Services Private Limited (an entity over which two directors are able to exercise control).

   (d) Extension of mortgage charges over the WBIDC land at Sub - Central Business, Kolkata and the plot of land under WBIDC in Food Park, Kandua, Howrah District, WB.

   (e) Personal guarantees of two Directors and Corporate guarantees of M/s. Situations Advertising and Marketing Services Private Limited and M/s. Prosperous Promotors Private Limited (entities over which two directors are able to exercise control).

2. Secured by first and exclusive charge on all existing and future credit card receivables and personal guarantees of two Directors.

3. Secured by a specific charge on the assets purchased.

2010-2011

1. Secured by:

   (a) Hypothecation of existing and future fixed and movable assets of the Company and entire current assets of the Company excluding charge on credit card receivables.

   (b) Extension of equitable mortgage over Plot No.4, Local Shopping Centre, Masjid Moth, New Delhi 110048 in the name of M/s. Prosperous Promotors Private Limited (an entity over which two Directors are able to exercise control).

   (c) Extension of equitable mortgage over Unit Nos. 103 to 106, First Floor, Shalimar Morya Park, Veera Industrial Estate, Andheri (W), Mumbai - 400 053 in the name of M/s. Situations Advertising and Marketing Services Private Limited (an entity over which two Directors are able to exercise control).

   (d) Extension of mortgage charges over the WBIDC land at Sub - Central Business, Kolkata and the plot of land under WBIDC in Food Park, Kandua, Howrah District, WB.

(e) Personal guarantees of two Directors and Corporate guarantees of M/s. Situations Advertising and Marketing Services Private Limited and M/s. Prosperous Promotors Private Limited (entities over which two directors are able to exercise control).

2. Secured by first and exclusive charge on all existing and future credit card receivables and personal guarantees of two Directors.

3. Secured by a specific charge on the assets purchased.

<u>As at 31/12/2011</u>

1. Secured by:

   (a) Hypothecation of existing and future fixed and movable assets of the Company and entire current assets of the Company excluding charge on credit card receivables and assets created out of term loan disbursed by Kotak Mahindra Bank.

   (b) Extension of equitable mortgage over Plot No.4, Local Shopping Centre, Masjid Moth, New Delhi 110048 in the name of M/s. Prosperous Promotors Private Limited (an entity over which two Directors are able to exercise control).

   (c) Extension of equitable mortgage over Unit Nos. 103 to 106, First Floor, Shalimar Morya Park, Veera Industrial Estate, Andheri (W), Mumbai - 400 053 in the name of M/s. Situations Advertising and Marketing Services Private Limited (an entity over which two Directors are able to exercise control).

   (d) Extension of mortgage charges over the WBIDC land at Sub - Central Business, Kolkata and the plot of land under WBIDC in Food Park, Kandua, Howrah District, WB.

   (e) Personal guarantees of two Directors and Corporate Guarantees of M/s. Situations Advertising and Marketing Services Private Limited and M/s. Prosperous Promotors Private Limited (entities over which two directors are able to exercise control).

2. Secured by first and exclusive charge on all existing and future credit card receivables and personal guarantees of two Directors.

3. Secured by a specific charge on the assets purchased.

4. Secured by:

   (a) First and exclusive charge on Fixed Assets of the company created out of term loan tranches disbursed by the bank.

   (b) Mortgage by way of exclusive charge on the immovable properties being office premises situated at offices 301 to 305, 3rd floor and offices 501 to 505, 5th floor Hariom Chambers, Veera Industrial Estate, New Link road, Andheri West, Mumbai, Maharashtra, belonging to M/s. Situations Advertising and Marketing Services Private Limited.

   (c) Personal Guarantees of two Directors and Corporate guarantee of M/s. Situations Advertising and Marketing Services Private Limited to the extent of value of the mortgaged property under its ownership.

Annexure 11

SUMMARY STATEMENT OF LOANS & ADVANCES

₹ in Millions

Particulars	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Advances recoverable in cash or in kind or for value to be received	117.93	112.68	84.18	58.91	98.29	34.11
Advance payments of Income tax (Net)	-	-	5.98	2.77	0.94	1.37
Premises and Other Deposits	286.69	202.02	171.18	170.86	123.78	89.67
Employee loans	7.87	7.08	5.47	4.94	5.10	5.21
Loans to Group Companies	23.97	25.72	27.25	34.63	35.17	33.85
Less: Provision	0.19	1.33	-	-	-	-
Total	**436.27**	**346.17**	**294.06**	**272.11**	**263.28**	**164.21**
The above includes the following loans and advances to the promoter Group						
Loans to group companies	23.97	25.72	27.25	34.63	35.17	33.85
Premises and Other Deposits	65.30	31.60	30.60	27.60	27.60	27.60
Total	**89.27**	**57.32**	**57.85**	**62.23**	**62.77**	**61.45**

Annexure 12

SUMMARY STATEMENT OF INVESTMENTS

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Units of Mutual Funds	202.93	250.69	55.45	-	176.57	-
Government Securities: National Savings						
Certificate	0.05	0.04	0.03	0.02	-	-
Total	**202.98**	**250.73**	**55.48**	**0.02**	**176.57**	**-**
Aggregate repurchase value of units of Mutual Funds	**202.93**	**250.84**	**55.45**	**-**	**176.57**	**-**
Aggregate book value of unquoted Investments	**0.05**	**0.04**	**0.03**	**0.02**	**-**	**-**

Annexure 13

1) SUMMARY STATEMENT OF KEY OPERATIONAL INCOME AND EXPENSES

₹ in Millions

Particulars	For the period/ year ended					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
(a) Income from Operations						
Food and Beverages	1,435.68	1,649.35	1,255.64	1,149.73	826.55	518.77
Franchise Income						
- Initial Access Premium Fees	26.53	22.67	24.56	0.08	0.06	-
- Royalty and Management Fees	30.66	35.94	14.76	2.94	0.38	-
Income from Displays & Sponsorship	0.91	12.96	3.45	-	-	-
Other	3.50	8.65	1.05	-	0.30	0.18
	1,497.28	**1,729.57**	**1,299.46**	**1,152.76**	**827.29**	**518.95**
Adjustment on account of restatements	-	2.06	(11.41)	3.36	5.99	-
Income from operations as per Audited Accounts	**1,497.28**	**1,731.63**	**1,288.05**	**1,156.12**	**833.28**	**518.95**
(b) Materials (Food & Beverage)						
Opening Stock	19.76	12.47	11.08	8.53	6.87	3.77
Add: Purchases	393.98	453.74	366.02	339.75	237.24	145.74
	413.74	**466.21**	**377.10**	**348.28**	**244.11**	**149.51**
Less: Closing Stock	23.01	19.76	12.47	11.08	8.53	6.87
Total	**390.73**	**446.45**	**364.63**	**337.20**	**235.58**	**142.64**
(c) Employee Remuneration						
Salaries, Bonus & Allowances	251.62	270.26	194.56	187.85	157.67	109.80
Contribution to Provident and Other Funds	21.40	24.03	16.64	15.52	12.14	7.94
Staff Welfare Expenses	40.40	44.86	35.26	30.19	17.41	15.21
Total	**313.42**	**339.15**	**246.46**	**233.56**	**187.22**	**132.95**
Adjustment on account of restatements	-	(8.76)	17.10	(3.03)	(1.95)	0.48
Employee Remuneration as per Audited Accounts	**313.42**	**330.39**	**263.56**	**230.53**	**185.27**	**133.43**
(d) Operation, Establishment and Selling Expenses						
Rent	202.83	249.17	186.00	163.57	109.73	50.49
Power & Fuel	59.71	67.43	54.41	50.86	32.47	18.48
Rates & Taxes/Licence Fee	24.04	28.10	28.88	26.72	13.66	9.12
Operating Supplies	47.11	45.06	31.30	39.39	30.81	18.94
Insurance	3.23	4.18	3.97	1.82	3.72	3.63
Advertising and Marketing Expenses	47.17	62.00	37.85	15.45	13.24	13.67
Less: Amount Recovered From Trade Partners	(20.40)	(18.48)	(22.73)	(11.70)	(5.59)	-
Net Advertising and Marketing Expenses	26.77	43.52	15.12	3.75	7.65	13.67

Particulars	For the period/ year ended					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Credit Card Commission	15.30	16.71	12.21	10.64	7.42	4.72
Consultancy & Professional Fees	6.67	9.71	8.84	11.09	7.32	7.35
Foreign Exchange Loss (Net)	-	5.81	-	-	-	-
Loss on Disposal of Fixed Assets (Net)	0.16	0.80	6.43	3.62	1.64	0.08
Loss on sale of Investments	0.01	-	-	-	-	-
Security Charges	7.44	7.11	5.12	4.73	2.76	1.46
Repairs and Maintenance						
Machinery	9.74	9.49	4.74	4.97	3.86	2.44
Others	41.08	45.34	37.61	32.26	24.42	12.48
Miscellaneous Expenses	31.20	51.65	26.50	34.12	32.47	23.55
Total	**475.29**	**584.08**	**421.13**	**387.54**	**277.93**	**166.41**
Adjustment on account of restatements	4.88	(10.82)	(25.63)	3.78	8.63	0.80
Administration expenses as per Audited Accounts	**480.17**	**573.26**	**395.50**	**391.32**	**286.56**	**167.21**
(e) Finance Cost						
Interest on						
Term Loans	13.51	13.09	13.98	15.73	14.01	6.57
Others	6.72	0.12	0.29	2.61	2.02	1.00
Bank Charges	5.58	3.50	2.97	0.88	1.00	0.17
	25.81	**16.71**	**17.24**	**19.22**	**17.03**	**7.74**

2) **SUMMARY STATEMENT OF CURRENT LIABILITIES AND PROVISIONS**

₹ in Millions

	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Current Liabilities:						
Sundry Creditors						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	262.46	253.21	144.84	133.18	118.27	63.63
Initial Access Premium Fees received in advance	-	4.50	11.55	9.35	5.99	-
Other Liabilities *	40.73	28.16	29.33	18.56	17.91	9.22
	303.19	**285.87**	**185.72**	**161.09**	**142.17**	**72.85**
Provisions :						
Income Taxes (net of payments)	14.76	3.58	1.09	18.70	5.50	2.11
Employee benefits	10.87	13.22	11.16	10.26	6.34	5.74
	25.63	**16.80**	**12.25**	**28.96**	**11.84**	**7.85**

	As at					
	31/12/11	**31/03/11**	**31/03/10**	**31/03/09**	**31/03/08**	**31/03/07**
Total Current Liabilities and Provisions	**328.82**	**302.67**	**197.97**	**190.05**	**154.01**	**80.70**

* Other Liabilities include Rs. 613,232 and Rs. 991,328 as at 31 March 2011 and 31 December 2011 respectively, deducted from employees' salaries towards contribution to an Employees' Contingency Fund, which is proposed to be established by the Company.

Annexure 14a

2006-07

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES

Sr. No.	Category of related parties	Names
1	Subsidiaries	-
2	Associates	-
3	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee Indraneil Palit Phiroz Sadri Jayanta Chatterjee Rajesh Dubey
4	Enterprises over which directors or relatives of directors can exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promotors Private Limited Havik Exports (P) Limited Supriya Tax trade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Sweet Bengal Factory Anjan Chatterjee – HUF Indroneil Chatterjee - HUF
5	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the year				
Interest Income	-	1.53	-	1.53
Remuneration	4.75	-	-	4.75
Professional Fees	1.30	-	-	1.30
Rent and other expenses paid	6.61	29.29	0.57	36.47
Advances given including interest	-	25.66	-	25.66
Advances repaid including adjustments against dues	-	7.34	-	7.34
Security deposits given	-	5.00	-	5.00
Security deposits repaid	-	2.50	-	2.50
Unsecured loan taken	40.05	0.03	-	40.08
Unsecured loan repaid	8.50	0.52	-	9.02
Balances as at 31/03/07				

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Advances	1.14	33.85	-	34.99
Other Payables	0.97	5.26	-	6.23
Security deposits	5.50	22.10	-	27.60
Unsecured Loans	36.67	2.92	8.10	47.69

Annexure 14b

2007-08

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES

Sr. No.	Category of related parties	Names
1	Subsidiaries	-
2	Associates	-
3	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee Indraneil Palit Phiroz Sadri Jayanta Chatterjee Rajesh Dubey
4	Enterprises over which directors or relatives of directors can exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promotors Private Limited Havik Exports (P) Limited Supriya Tax trade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Sweet Bengal Factory Anjan Chatterjee – HUF Indroneil Chatterjee - HUF
5	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the year				
Sales	0.02	-	-	0.02
Interest Income	-	1.80	-	1.80
Purchases	-	14.14	-	14.14
Remuneration	6.58	-	-	6.58
Professional Fees	1.75	-	-	1.75
Rent and other expenses paid	9.43	35.14	0.65	45.22
Advances given including interest	-	6.76	-	6.76
Advances repaid including adjustments against dues	-	5.44	-	5.44
Unsecured loan taken	40.47	3.18	0.58	44.23
Unsecured loan repaid	36.00	-	-	36.00
Balances as at 31/03/08				
Advances	1.07	35.17	-	36.24

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Other payables	1.41	16.07	-	17.48
Security deposits	5.50	22.10	-	27.60
Sundry Debtors	0.02	-	-	0.02
Unsecured Loans	41.14	6.10	8.68	55.92

Annexure 14c

2008-09

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES

Sr. No.	Category of related parties	Names
1	Subsidiaries	-
2	Associates	-
3	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee Indraneil Palit Phiroz Sadri Jayanta Chatterjee Rajesh Dubey
4	Enterprises over which directors or relatives of directors can exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promotors Private Limited Havik Exports (P) Limited Supriya Tax trade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Sweet Bengal Factory Anjan Chatterjee – HUF Indroneil Chatterjee - HUF
5	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the year				
Interest Income	-	2.93	-	2.93
Purchases	-	31.13	-	31.13
Remuneration	8.88	-	-	8.88
Professional Fees	1.92	-	-	1.92
Rent and other expenses paid	9.19	35.76	0.69	45.64
Advances given including interest	-	8.87	-	8.87
Advances repaid including adjustments against dues	-	9.41	-	9.41
Security deposits given	3.00	-	-	3.00
Security deposits repaid	3.00	-	-	3.00
Unsecured loan taken	8.40	0.15	0.62	9.17
Unsecured loan repaid	6.03	0.06	-	6.09
Balances as at 31/03/09				

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Advances	0.42	34.63	-	35.05
Other payables	3.10	29.34	-	32.44
Security deposits	5.50	22.10	-	27.60
Unsecured Loans	43.51	6.20	9.30	59.01

Annexure 14d

2009-10

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTIN STANDARD - 18 ON RELATED PARTY DISCLOSURES

Sr. No	Category of related parties	Names
1	Subsidiaries	-
2	Associates	-
3	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee Indraneil Palit Phiroz Sadri Jayanta Chatterjee Rajesh Dubey
4	Enterprises over which directors or relatives of directors can exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promotors Private Limited Havik Exports (P) Limited Supriya Tax trade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Sweet Bengal Factory Anjan Chatterjee - HUF Indroneil Chatterjee – HUF
5	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the year				
Interest Income	-	2.99	-	2.99
Purchases	-	35.67	-	35.67
Remuneration	7.72	-	-	7.72
Professional Fees	1.68	-	-	1.68
Rent and other expenses paid	4.12	38.95	-	43.07
Advances given including interest	-	2.75	-	2.75
Advances repaid including adjustments against dues	-	7.62	-	7.62
Security deposits given	3.00	-	-	3.00
Unsecured loan repaid	0.15	1.29	-	1.44
Balances as at 31/03/10				
Advances	0.62	27.25	-	27.87
Other payables	0.79	12.51	-	13.30
Security deposits	5.50	25.10	-	30.60
Unsecured Loans	43.37	4.91	9.30	57.58

Annexure 14e

2010-11

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES

Sr.No	Category of related parties	Names
1	Subsidiaries	-
2	Associates	-
3	Key management personnel	Anjan Chatterjee Suchhanda Chatterjee Indranil Chatterjee Indraneil Palit (resigned with effect from 9th February 2011) Jayanta Chatterjee (resigned with effect from 9th February 2011) Rajesh Dubey (resigned with effect from 9th February 2011)
4	Enterprises over which directors or relatives of directors can exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promotors Private Limited Havik Exports (P) Limited Supriya Tax trade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Sweet Bengal Factory Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Relatives of Key Management Personnel	Avik Chatterjee Harshita Chatterjee

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the year				
Interest Income	-	2.80	-	2.80
Purchases	-	16.89	-	16.89
Remuneration	6.69	-	-	6.69
Professional Fees	1.41	-	-	1.41
Rent and other expenses paid	3.41	73.42	-	76.83
Advances given including Interest	-	2.80	-	2.80
Advances repaid including adjustments against dues	-	4.05	-	4.05
Unsecured loan taken	1.15	-	0.10	1.25
Unsecured loan repaid	-	-	0.16	0.16
Balances as at 31/03/11				
Advances	-	25.72	-	25.72
Other payables	1.31	27.89	-	29.20
Security deposits	3.00	28.60	-	31.60
Unsecured Loans	44.52	4.91	9.24	58.67

Annexure 14f

31-12-2011

SUMMARY STATEMENT OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES AND BALANCES AS PER ACCOUNTING STANDARD - 18 ON RELATED PARTY DISCLOSURES

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

₹ in Millions

Nature of the transaction	Key Management personnel	Enterprises over which directors or relatives of directors can exercise control / significant influence	Relatives of Key Management Personnel	Total
Transactions during the period				
Interest Income	-	2.06	-	2.06
Remuneration	3.15	-	-	3.15
Rent and other expenses paid	2.56	56.18	-	58.74
Advances given including interest	-	1.85	-	1.85
Advances repaid including adjustments against dues	-	3.60	-	3.60
Security deposits given	-	33.70	-	33.70
Unsecured Loans repaid	-	2.85	-	2.85
Balances as at 31/12/11				
Advances	-	23.97	-	23.97
Other payables	1.48	24.51	-	25.99
Security deposits	3.00	62.30	-	65.30
Unsecured Loans	44.52	2.06	9.24	55.82

Annexure 15

SUMMARY STATEMENT OF CONTINGENT LIABILITIES

₹ in Millions

Particulars	As at					
	31/12/11	31/03/11	31/03/10	31/03/09	31/03/08	31/03/07
Legal cases against the company	169.18	177.47	168.16	3.60	1.60	-
Sales Tax Demand	17.44	0.11	0.11	-	-	-
	186.62	**177.58**	**168.27**	**3.60**	**1.60**	

Annexure 16

SUMMARY STATEMENT OF RESERVES AND SURPLUS

₹ in Millions

Particulars	As at					
	31-12-11	**31-03-11**	**31-03-10**	**31-03-09**	**31-03-08**	**31-03-07**
Capital Reserve						
As at the beginning of Reporting Period	1.67	1.67	1.67	-	-	-
Add: Forfeiture of Share Warrants Note: During the year ended 31 March 2009, 166,924 investor warrants were cancelled and the relevant subscription amount was forfeited and transferred to capital reserve	-	-	-	1.67	-	-
As at the end of Reporting Period	**1.67**	**1.67**	**1.67**	**1.67**	**-**	**-**
Securities Premium Account						
As at the beginning of Reporting Period	169.37	351.65	351.65	351.65	-	-
Add: On issue of 208,076 Compulsorily Convertible Preference shares	-	-	-	-	351.65	-
On issue of 90,558 Compulsorily Convertible Preference shares	-	149.10	-	-	-	-
Less: On Issue of Bonus shares	-	331.38	-	-	-	-
On Conversion of Compulsorily Convertible Preference Shares into Equity Shares (As at March 2011 - Rs. 600)	2.82	0.00	-	-	-	-
As at the end of Reporting Period	**166.55**	**169.37**	**351.65**	**351.65**	**351.65**	**-**
Surplus in the Profit & Loss Account						
As at the beginning of Reporting Period	452.58	296.30	184.44	121.36	76.77	45.57
Add: Net Profit after tax for the year	153.44	156.28	111.86	63.08	44.59	31.20
As at the end of Reporting Period	**606.02**	**452.58**	**296.30**	**184.44**	**121.36**	**76.77**
Total	**774.24**	**623.62**	**649.62**	**537.76**	**473.01**	**76.77**

Annexure 17

SUMMARY STATEMENT OF FIXED ASSETS

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2006**	**Additions**	**Deductions**	**Cost as at 31st March 2007**	**As at 1st April 2006**	**For the year**	**Deductions / Adjustments**	**As at 31st March 2007**	**As at 31st March 2007**
Plant and Machinery	47.65	49.11	0.37	96.39	15.28	11.02	0.10	26.20	70.19
Leasehold Improvements	15.45	24.18	0.04	39.59	2.58	3.00	0.00	5.58	34.01
Furniture and Fixtures	21.71	28.92	-	50.63	11.49	9.12	-	20.61	30.02
Computers	8.55	3.71	-	12.26	4.08	2.74	-	6.82	5.44
Vehicles	2.72	0.09	0.34	2.47	1.12	0.44	0.27	1.29	1.18
	96.08	106.01	0.75	201.34	34.55	26.32	0.37	60.50	140.84
Intangible Assets									
Patents and Trademarks	1.01	0.59	-	1.60	0.24	0.24	-	0.48	1.12
Software	-	0.10	-	0.10	-	0.01	-	0.01	0.09
	1.01	0.69	-	1.70	0.24	0.25	-	0.49	1.21
Total	**97.09**	**106.70**	**0.75**	**203.04**	**34.79**	**26.57**	**0.37**	**60.99**	**142.05**
Capital Work In Progress									88.93
Grand Total									**230.98**

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2007**	**Additions**	**Deductions**	**Cost as at 31st March 2008**	**As at 1st April 2007**	**For the year**	**Deductions / Adjustments**	**As at 31st March 2008**	**As at 31st March 2008**
Plant and Machinery	96.39	87.79	0.38	183.80	26.20	18.30	0.23	44.27	139.53
Leasehold Improvements	39.59	39.55	-	79.14	5.58	5.73	-	11.31	67.83
Furniture and Fixtures	50.63	58.71	2.72	106.62	20.61	17.23	1.44	36.40	70.22
Computers	12.26	9.14	-	21.40	6.82	3.91	-	10.73	10.67
Vehicles	2.47	2.00	0.52	3.95	1.29	0.56	0.30	1.55	2.40
	201.34	197.19	3.62	394.91	60.50	45.73	1.97	104.26	290.65
Intangible Assets									
Patents and Trademarks	1.60	0.15	-	1.75	0.48	0.32	-	0.80	0.95
Software	0.10	2.77	-	2.87	0.01	0.02	-	0.03	2.84
	1.70	2.92	-	4.62	0.49	0.34	-	0.83	3.79
Total	**203.04**	**200.11**	**3.62**	**399.53**	**60.99**	**46.07**	**1.97**	**105.09**	**294.44**
Capital Work In Progress									164.51

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2007**	**Additions**	**Deductions**	**Cost as at 31st March 2008**	**As at 1st April 2007**	**For the year**	**Deductions / Adjustments**	**As at 31st March 2008**	**As at 31st March 2008**
Grand Total									**458.95**

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2008**	**Additions**	**Deductions**	**Cost as at 31st March 2009**	**As at 1st April 2008**	**For the year**	**Deductions / Adjustments**	**As at 31st March 2009**	**As at 31st March 2009**
Freehold Land	-	26.65	-	26.65	-	-	-	-	26.65
Leasehold Land	-	51.92	-	51.92	-	-	-	-	51.92
Plant and Machinery	183.80	79.34	1.22	261.92	44.27	31.74	0.32	75.69	186.23
Leasehold Improvements	79.14	105.20	3.44	180.90	11.31	15.02	0.15	26.18	154.72
Furniture and Fixtures	106.62	56.32	1.23	161.71	36.40	29.98	0.13	66.25	95.46
Computers	21.40	6.59	0.09	27.90	10.73	6.18	0.02	16.89	11.01
Vehicles	3.95	3.61	0.48	7.08	1.55	0.71	0.27	1.99	5.09
	394.91	329.63	6.46	718.08	104.26	83.63	0.89	187.00	531.08
Intangible Assets									
Patents and Trademarks	1.75	-	-	1.75	0.80	0.35	-	1.15	0.60
Software	2.87	7.45	-	10.32	0.03	1.28	-	1.31	9.01
	4.62	7.45	-	12.07	0.83	1.63	-	2.46	9.61
Total	**399.53**	**337.08**	**6.46**	**730.15**	**105.09**	**85.26**	**0.89**	**189.46**	**540.69**
Capital Work In Progress									137.87
Grand Total									**678.56**

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2009**	**Additions**	**Deductions**	**Cost as at 31st March 2010**	**As at 1st April 2009**	**For the year**	**Deductions / Adjustments**	**As at 31st March 2010**	**As at 31st March 2010**
Freehold Land	26.65	-	-	26.65	-	-	-	-	26.65
Leasehold Land	51.92	-	-	51.92	-	0.68	-	0.68	51.24
Plant and Machinery	261.92	55.66	8.98	308.60	75.69	28.02	2.51	101.20	207.40
Leasehold Improvements	180.90	55.04	7.97	227.97	26.18	21.21	0.65	46.74	181.23
Furniture and Fixtures	161.71	66.12	0.62	227.21	66.25	35.59	0.47	101.37	125.84
Computers	27.90	4.48	0.52	31.86	16.89	6.93	0.56	23.26	8.60
Vehicles	7.08	3.56	0.04	10.60	1.99	1.59	0.04	3.54	7.06
	718.08	184.86	18.13	884.81	187.00	94.02	4.23	276.79	608.02
Intangible Assets									
Patents and Trademarks	1.75	0.50	-	2.25	1.15	0.34	-	1.49	0.76

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	Cost as at 1st April 2009	Additions	Deductions	Cost as at 31st March 2010	As at 1st April 2009	For the year	Deductions / Adjustments	As at 31st March 2010	As at 31st March 2010
Software	10.32	-	-	10.32	1.31	2.04	-	3.35	6.97
	12.07	0.50	-	12.57	2.46	2.38	-	4.84	7.73
Grand Total	**730.15**	**185.36**	**18.13**	**897.38**	**189.46**	**96.40**	**4.23**	**281.63**	**615.75**
Capital Work In Progress									98.93
Total									**714.68**

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	Cost as at 1st April 2010	Additions	Deductions	Cost as at 31st March 2011	As at 1st April 2010	For the year	Deductions / Adjustments	As at 31st March 2011	As at 31st March 2011
Freehold Land	26.65	-	-	26.65	-	-	-	-	26.65
Leasehold Land	51.92	-	-	51.92	0.68	0.33	-	1.01	50.91
Plant and Machinery	308.60	41.74	0.40	349.94	101.20	32.57	0.37	133.40	216.54
Leasehold Improvements	227.97	42.62	1.26	269.33	46.74	47.51	0.24	94.01	175.32
Furniture and Fixtures	227.21	47.20	0.09	274.32	101.37	39.25	0.07	140.55	133.77
Computers	31.86	3.48	0.03	35.31	23.26	4.57	0.01	27.82	7.49
Vehicles	10.60	2.58	0.58	12.60	3.54	2.13	0.48	5.19	7.41
	884.81	137.62	2.36	1,020.07	276.79	126.36	1.17	401.98	618.09
Intangible Assets									
Patents and Trademarks	2.25	1.36	-	3.61	1.49	0.69	-	2.18	1.43
Software	10.32	1.03	-	11.35	3.35	2.16	-	5.51	5.84
	12.57	2.39	-	14.96	4.84	2.85	-	7.69	7.27
Total	**897.38**	**140.01**	**2.36**	**1,035.03**	**281.63**	**129.21**	**1.17**	**409.67**	**625.36**
Capital Work In Progress									101.86
Grand Total									**727.22**

₹ in Millions

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	Cost as at 1st April 2011	Additions	Deductions	Cost as at 31st December 2011	As at 1st April 2011	For the period	Deductions / Adjustments	As at 31st December 2011	As at 31st December 2011
Freehold Land	26.65	-	-	26.65	-	-	-	-	26.65
Leasehold Land	51.92	-	-	51.92	1.01	1.04	-	2.05	49.87
Plant and Machinery	349.94	47.98	8.19	389.73	133.40	27.79	4.44	156.75	232.98
Leasehold Improvements	269.33	53.80	12.95	310.18	94.01	19.15	4.33	108.83	201.35
Furniture and Fixtures	274.32	60.77	10.18	324.91	140.55	34.83	2.91	172.47	152.44
Computers	35.31	5.43	-	40.74	27.82	3.93	-	31.75	8.99

Fixed Assets		Gross Block			Depreciation / Amortisation / Impairment				Net Block
PARTICULARS	**Cost as at 1st April 2011**	**Additions**	**Deductions**	**Cost as at 31st December 2011**	**As at 1st April 2011**	**For the period**	**Deductions / Adjustments**	**As at 31st December 2011**	**As at 31st December 2011**
Vehicles	12.60	5.46	0.17	17.89	5.19	2.13	0.04	7.28	10.61
	1,020.07	173.44	31.49	1,162.02	401.98	88.87	11.72	479.13	682.89
Intangible Assets									
Patents and Trademarks	3.61	1.55	-	5.16	2.18	0.62	-	2.80	2.36
Software	11.35	4.80	-	16.15	5.51	1.81	-	7.32	8.83
	14.96	6.35	-	21.31	7.69	2.43	-	10.12	11.19
TOTAL	1,035.03	179.79	31.49	1,183.33	409.67	91.30	11.72	489.25	694.08
Capital Work In Progress									198.83
Grand Total									**892.91**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following is a discussion and analysis of our financial condition and results of operations and certain trends, risks and uncertainties that may affect our business. The significant accounting policies section discloses certain accounting policies and management judgments that are material to our financial results of operations and financial condition for the periods presented in this section. The analysis of our results of operations discusses our historical results for the Fiscal Years ended March 31, 2009, 2010 and 2011 and the nine months ended December 31, 2011. Disclosure relating to liquidity and financial condition and the trends, risks and uncertainties that have had or that are expected to affect revenues and income complete the management's discussion and analysis.

Prospective investors should read this discussion and analysis of our financial condition and results of operations in conjunction with the restated financial statements and the notes thereto set forth elsewhere in this Red Herring Prospectus. The following discussions are based on our restated financial statements which have been prepared in accordance with the Companies Act and SEBI Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Risk Factors" and "Forward Looking Statements" on pages 13 and 11, respectively, of this Red Herring Prospectus.

Overview

We are a fine dining operator in India, with 69 restaurants and 13 confectionaries as of February 29, 2012, featuring certain well recognised brands in the Indian restaurant industry. We focus on providing our guests an affordable fine dining experience with quality food and service in a modern ambience.

Our Promoters launched the first restaurant of our restaurant network in 1992 under the name *Only Fish*, which was later renamed *Oh! Calcutta* in 1996. In 1994, our Promoters launched the first *Mainland China* restaurant in Mumbai. Our Company was incorporated on December 1, 1999, and acquired from our Promoters, the then existing two *Mainland China* restaurants in April 2002, for a consideration of Rs. 0.75 million and Rs. 4.70 million, and one *Oh! Calcutta* restaurant in April 2005 for a consideration of Rs. 0.21 million. Over the years, we have grown our restaurant business and brands and as of February 29, 2012, our network comprised 82 restaurants and confectionaries collectively, located in 21 cities in India and one city in Bangladesh. As of February 29, 2012, we owned and operated 49 restaurants ("company owned and operated restaurants") and 13 confectionaries and had franchise arrangements for the other 20 restaurants ("franchise restaurants") which are owned by franchisees but operated by us. In Fiscal Year 2011 and the nine months ended December 31, 2011, the number of guests served at our company owned and operated restaurants was approximately 2.59 million and 2.09 million, or, on average over 7,313 and 8,127 guests each day, respectively.

Our restaurants consist of different restaurant concepts and are located across India, particularly in the western region. Our flagship brand is *Mainland China* which serves Chinese cuisine in a standalone fine dining setting. Chinese cuisine is the most popular foreign cuisine in India according to the India Retail Report 2009. As of February 29, 2012, our *Mainland China* brand encompassed 36 restaurants across India as well as one in Bangladesh. Our *Mainland China* restaurants contributed 53.27%, 57.03%, 60.28% and 61.13% to our total revenues from food and beverages in Fiscal Years 2009, 2010, 2011 and the nine months ended December 31, 2011, respectively. Our other core brand, *Oh! Calcutta*, encompassed seven restaurants across India as well as one in Bangladesh, as of February 29, 2012 and features a range of cuisines from the east Indian city of Kolkata, including Bengali, Nawabi, British and Continental cuisines served in a fine dining setting. Our other restaurant brands are *Sigree*, *Flame & Grill*, *Haka*, *Just Biryani*, *KIBBEH, Kix*, *Machaan, Shack*, as well as a confectionary brand, *Sweet Bengal*.

Our Founder and Promoter, Anjan Chatterjee, and his spouse, Suchhanda Chatterjee, our other Promoter, hold in aggregate, 80.92% of the outstanding equity shares prior to the public offering. Our Founder and Promoter, is also the Managing Director of our Company as well as the vice president of the National Restaurants Association of India ("NRAI"). In addition, we have two investors: SAIF, a private equity investor and Glix Securities, a corporate investor. For details of their shareholding, see the section "Capital Structure—History of Equity and Preference

Share Capital held by SAIF and Glix Securities in our Company" on page 74 of this Red Herring Prospectus.

Our income from our operations increased from Rs. 518.95 million in Fiscal Year 2007 to Rs. 1,729.57 million in Fiscal Year 2011 at a CAGR of 35.11%. Our net profit after tax increased from Rs. 31.20 million in Fiscal Year 2007 to Rs. 156.28 million in Fiscal Year 2011 at a CAGR of 49.60%. Our income from our operations and net profit after tax for the nine months ended December 31, 2011 were Rs. 1,497.28 million and Rs. 153.44 million, respectively.

Recent Developments

We acquired *Sweet Bengal* factory as a going concern with effect from October 1, 2010 from our Founder and Promoter for a consideration of Rs. 1.15 million. The *Sweet Bengal* factory manufactures Bengali sweets for our *Sweet Bengal* confectionaries. We do not believe that the acquisition of the *Sweet Bengal* factory is material to our financial results for Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011. In March 2012, we opened a company owned and operated *Mainland China* restaurant in Noida and a company owned and operated *Sigree* restaurant in Vashi, Thane. In the same month we closed one *Sweet Bengal* confectionary in Mumbai. In April 2012, we opened three company owned and operated *Mainland China* restaurants in Bengaluru, Chennai and Pune, and closed one *Machaan* FOCO restaurant in Ahmedabad. In the same month, we also closed one and opened one *Sweet Bengal* confectionary in Mumbai.

Basis of Presentation

We have included in this Red Herring Prospectus audited financial statements, as restated, for the Fiscal Years ended March 31, 2007, 2008, 2009, 2010 and 2011 and the nine months ended December 31, 2011. All figures in relation to our income from operations, expenditures from materials (food and beverage), employee remuneration, operation, establishment and selling expenses and finance costs are derived from Annexure 13 to our restated financial statements, which give effect to the restatement adjustments.

Significant Factors Affecting Results of Operations

Our financial condition and results of operations are mainly affected by the following factors:

Guest spending and general economic and market conditions

Our success depends to a significant extent on consumer confidence and spending, which is influenced by general economic conditions and discretionary income levels. Many factors affect the level of consumer confidence and spending in the overall food services market and the fine dining market, including recession, inflation, deflation, political uncertainty, availability of consumer credit, taxation, stock market performance and unemployment. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer confidence and spending including the amount that consumers spend on eating out and our restaurants' cover turnaround. See section "Risk Factors—Internal Risk Factors—General and industry-specific economic fluctuations could adversely affect our business, financial condition, results of operations and prospects" on page 16 of this Red Herring Prospectus.

In recent months, India has been emerging from the consequences of the recent financial crisis. Indian GDP at factor cost (2004-2005 prices) experienced a growth rate of 6.8%, 8.0% and 8.5% in the Fiscal Years 2009, 2010 and 2011, respectively (*Source: Reserve Bank of India*). In addition, the food services industry is becoming an increasingly important segment of India's economy. It is the second largest component of discretionary spending, following the grocery stores industry (*Source: India Retail Report 2009*). See the section "Industry" on page 104 of this Red Herring Prospectus. We believe that these macroeconomic factors have contributed to the increase in our restaurant revenue during the periods under review.

Number of restaurants in operation

Our revenues are affected to a significant extent by the number of company owned and operated and franchise restaurants we have in operation. We generated a substantial part of our income form operations from sales at our company owned and operated restaurants. Accordingly, the number of company owned and operated restaurants in operation has a strong bearing on our revenues.

Typically, our new company owned and operated restaurants have a gestation period before they reach maturity and start contributing to revenues and profits. As a result, the proportion of our revenues contributed by such new company owned and operated restaurants in the early period of their operation, is relatively low. As the base number of our restaurants has increased, the proportion of new company owned and operated restaurants has declined, and consequently, the revenue contribution from such restaurants in proportion to the total revenues has declined. We expect such a trend to continue.

Restaurants incur various costs and expenses before they open and newly opened restaurants typically incur materially greater operating costs during the first few months of their operations. Therefore, new company owned and operated restaurants may temporarily lower our results of operations on a per restaurant basis, and the proportion of new company owned and operated restaurants we have in operation during any given period may affect our overall results of operations.

From time to time, we close certain company owned and operated restaurants when they experience low guest traffic relative to their rental costs, making their operations uneconomical.

The table below shows the breakdown of the number of restaurants in operation at the beginning of each period indicated and restaurants newly opened during each period:

Number of Restaurants:	**Year Ended March 31,**			**Nine Months Ended December 31,**	**Eleven Months Ended February 29,**
	2009	**2010**	**2011**	**2011**	**2012**
Company owned and operated restaurants in operation(1)	30(2)	40(3)	41	45	45
Franchise restaurants in operation(1)	1	2	11	18	18
Newly added company owned and operated restaurants	13	7	4	7	8
Newly added franchise restaurants	1	9	7	1	2
Company owned and operated restaurants closed	(3)	(6)	–	(3)	(4)
Total	42	52	63	68	69

Notes:

(1) *At the beginning of the year or period.*

(2) *During Fiscal Year 2009, three company owned and operated restaurants were closed, comprising a Haka restaurant and Kix restaurant in Bengaluru and kiosks at a food court in Kolkata.*

(3) *During Fiscal Year 2010, six company owned and operated restaurants were closed, comprising one Mainland China restaurant in Hyderabad, one Haka restaurant in Pune, two Haka restaurants in Mumbai, one Sigree restaurant in Delhi and one Ivy restaurant in Mumbai.*

(4) *During the eleven months ended February 29, 2012, four company owned and operated restaurants were closed, comprising two Mainland China restaurants in Delhi, one HAKA restaurant in Pune and one Flame & Grill restaurant in Kolkata.*

The table below shows a breakdown of our total revenues contributed by each brand in operation during the periods indicated:

Brand	Nine Months Ended December 31, 2011		Fiscal Year 2011		Fiscal Year 2010		Fiscal Year 2009	
	Revenues (Rs. Millions)	% Revenues from Food & Beverages	Revenues (Rs. Millions)	% Revenues from Food & Beverages	Revenues (Rs. Millions)	% Revenues from Food & Beverages	Revenues (Rs. Millions)	% Revenues from Food & Beverages
Mainland China	877.63	61.13	994.27	60.28	716.13	57.03	612.42	53.27
Oh! Calcutta	171.38	11.94	202.75	12.29	163.08	12.99	144.88	12.60
Haka	44.43	3.09	62.75	3.80	76.10	6.06	97.62	8.49
Sigree	127.68	8.89	156.52	9.49	108.66	8.65	112.28	9.77
Flame & Grill	78.95	5.50	84.58	5.13	51.39	4.09	38.41	3.34
Machaan	60.62	4.22	67.76	4.11	68.62	5.47	62.92	5.47
Sweet Bengal	56.84	3.96	62.20	3.77	56.48	4.50	51.05	4.45
Ivy	-	-	-	-	2.50	0.20	16.84	1.46
Shack	4.74	0.33	3.86	0.23	4.30	0.34	1.71	0.15
KIBBEH	10.01	0.70	8.33	0.52	0.00	0.00	0.00	0.00
Just Biryani	2.02	0.14	5.12	0.31	7.40	0.59	8.79	0.76
Kiosks in food court and others	1.38	0.10	1.21	0.07	0.98	0.08	2.81	0.24
Total	**1,435.68**	**100.00**	**1,649.35**	**100.00**	**1,255.64**	**100.00**	**1,149.73**	**100.00**

We intend to open additional company owned and operated restaurants by using a portion of the net proceeds of this Issue as more fully described in the section "Objects of the Issue" on page 80 of this Red Herring Prospectus. We plan to further expand our geographic coverage and increase the number of our restaurants (company owned and operated and franchise). See section "Our Business—Business Strategy—Continuing to expand mainly through ownership and selectively through franchising" on page 118 of this Red Herring Prospectus.

Multiple business models

During the periods under review, we operated our business through company owned and operated restaurants and franchised restaurants. See section "Our Business—Restaurant Operations" on page 124 of this Red Herring Prospectus. Typically, our new company owned and operated restaurants have a gestation period before they reach maturity and start contributing to revenues and profits. Unlike company owned and operated restaurants, franchised restaurants contribute to our operating profit immediately due to an initial access premium payable to us by the franchisees. Franchise restaurants also contribute to our future operating profits through royalty and management fees which are payable to us as a percentage of net monthly sales.

In addition, we have developed some of our restaurants under the Combo and Multibrand formats. See section "Our Business—Competitive Strengths—Diversified business model" on page 114 of this Red Herring Prospectus. We believe that development through these formats has enabled us to benefit from: (i) better access to real estate at lower rental cost; (ii) opportunities for cross-selling between our brands; and (iii) investment and cost management efficiencies (including reduced space requirements, reduced investment in kitchen equipment due to the sharing of space and facilities (kitchen and service area), and reduced cost of labour due to shared management and kitchen staff). We intend to increase the use of our Combo and Multibrand formats for our company owned and operated restaurants. See section "Risk Factors—Internal Risk Factors—Increases in costs could result in a loss of revenue and adversely impact our business, financial condition, results of operations and prospects" on page 22 of this Red Herring Prospectus.

Pricing policy

We believe that we have a flexible and differentiated pricing policy. See section "Our Business—Restaurant Operations—Pricing Policy" on page 127 of this Red Herring Prospectus. Our pricing policy is generally based on the cost of operation and raw materials, market analysis, including analysis of guest needs and our competitive position. Our marketing department evaluates a reasonable price range in light of cost of sales required for a particular dish. We have limited price variations between restaurants belonging to a brand in various locations. We review our menu pricing across our restaurants from time to time, as determined by the market and the price fluctuations of our raw materials. We have historically been able to pass on increased raw material and operating costs to our guests in the form of increased menu prices. See section "Risk Factors—Internal Risk Factors—Increases in costs could result in a loss of revenue and adversely impact our business, financial condition, results of operations and prospects" on page 22 of this Red Herring Prospectus.

Seasonality

Certain aspects of our business are subject to seasonal factors that can impact our results of operations. We typically experience slightly higher income from operations during the second half of our financial year than during the first half of our financial year resulting from the festive season including Diwali, Christmas and Dussehra. Certain of our restaurants, particularly those with outdoor seating or in areas with high tourist traffic, enjoy higher income from operations during the winter months than during the summer months.

Expenses from materials (food and beverage)

Expenses from materials (food and beverage) consumed is the largest component of our operating expenses, representing 29.25%, 28.06%, 25.81% and 26.10% of our total income from operations, in Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, respectively.

Our supply arrangements (see section "Our Business—Suppliers and Purchasing Practices" on page 131 of this Red Herring Prospectus) have a direct impact on our results of operations. We have historically been able to pass on a significant portion of increased raw material and operating costs to our guests in the form of increased menu prices. As a fine dining operator in India, we believe we are also a key customer for many of our suppliers. This has historically enabled us to negotiate discounts and other favourable terms on contracts with our suppliers. Such favourable terms can help reduce our cost of goods sold and can therefore help improve our gross margin. In addition, we maintain a number of suppliers for each of our key ingredients, including chicken, seafood, rice and vegetables, which we believe can help mitigate price volatility. Given the increase in the number of restaurants in our network and scale of operations, we have increased our efforts to centralise supply sources and consequently, enhance our bargaining power with suppliers.

Employee remuneration

Restaurant operations are highly service-oriented, and consequently, our success, to a considerable extent, depends upon our ability to attract, motivate and retain a sufficient number of qualified employees, including restaurant managers and restaurant staff. We offer competitive wages and benefits to our restaurant employees to manage employee attrition. Employee remuneration includes wages, salaries and bonuses paid to employees of our restaurants, as well as employee benefits such as employee accommodation, medical insurance and contributions to provident funds. These costs are subject to certain factors that are out of our control, including amendments to the minimum wage laws and other employee benefit laws in India. In addition, for Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, these costs were primarily affected by the opening of new restaurants, hiring of additional restaurant managers and changes in minimum hourly wages. See section "Risk Factors—Internal Risk Factors—Our business is labour-intensive and we depend on our dedicated and capable employees, and if we are not able to continue to hire, train and retain qualified employees or if labour costs increase, our business, financial condition, results of operations and prospects could be materially and adversely affected" on page 18 of this Red Herring Prospectus.

The salary level of employees in the consumer food services industry in India has been rising in recent years. In addition, when we open new restaurants, we have to hire staff approximately three months in advance of the restaurant opening and consequently, we normally incur obligations to pay wages for the hired staff of those restaurants before they begin to generate revenue.

Our expenses related to employee remuneration as a percentage of total income from operations, was 20.26% in Fiscal Year 2009, 18.97% in Fiscal Year 2010, 19.61% in Fiscal Year 2011 and 20.93% in the nine months ended December 31, 2011. We expect our restaurant wages and related expenses, in absolute terms, to continue to increase as inflationary pressures in India, drive up wages and as we continue to increase the number of our restaurants.

Rental expenses

We lease all of the properties on which we operate our restaurants and intend to continue to do so. Generally, most of our leases have initial lease terms of two to nine years, with some granting us an option to renew such lease terms upon re-negotiation of rental prices and other rental terms. We enter into three types of leases: fixed rental leases, revenue sharing leases with a minimum guarantee and revenue sharing leases without a minimum guarantee. Our rental payments in respect of our revenue sharing leases (both with and without a minimum guarantee) are determined as a percentage of sales as defined by the terms of the applicable lease agreement. Property rental prices in India have generally been rising since 2007, particularly in the Metros and Tier I cities, where a majority of our restaurants are located. As a percentage of our total income from operations, our rental expenses were 14.19%, 14.31%, 14.41% and 13.55% in Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011, respectively. We intend to enter into a higher proportion of revenue sharing leases as we expand our operations. See section "Risk Factors—Internal Risk Factors—We lease premises for all of our restaurants and confectionaries and our inability to secure our lease rights and keep up with increasing lease rentals in certain key locations may adversely affect our business, financial condition, results of operations and prospects" on page 19 of this Red Herring Prospectus.

Competition

We compete in India with national and regional restaurant chains, including BJN Group and Pan India Food Solutions Private Limited. In addition, we compete with smaller restaurant chains as well as individual restaurants within the cities in which we operate. We also face competition from companies replicating our restaurant concepts at lower costs. Due to increased competition, we could experience downward pressure on prices, lower demand for our products, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which may have an adverse impact on our business, results of operations, financial condition and prospects.

We also compete on a broader scale with fine dining and other international, national, regional and local food service businesses. The overall food service market, and the fine dining market in particular, are highly competitive with respect to food quality, price, service, convenience and concept. We also compete with other businesses for management, staff and store locations. Difficulty in securing suitable management, staff and suitable store locations may have an adverse impact on our business, results of operations, financial condition and prospects.

Effectiveness of marketing strategies

We devote significant attention to our brand-building efforts. Our advertising strategy is centred on increasing our brand awareness, complemented with certain promotions and festivals from time to time. We engage a related party, Situations Advertising, to implement our market research and advertising activities under the Situations Advertising Agreement. We use a variety of media to convey our advertising, including billboards, city formats and banners for certain of our brands. We use other media, including television, internet, radio, print, direct marketing and other unconventional media, such as short message services and social networking sites, to optimise our media plan and coverage of target demographic profiles. For brands that have critical mass in a local marketplace, television also plays an important role. We plan on continuing to build our brand and retail sales by satisfying consumer preferences for fresh, wholesome, flavourful food and an affordable fine dining experience typically expected only in a five-star hotel setting.

In addition, our loyalty programme, *Speciality Preferred*, is an important component of our marketing strategy. We launched *Speciality Preferred* in 2008, and it had over 95,000 members as of February 29, 2012. We have a dedicated team that continuously tracks restaurant patronage by our *Speciality Preferred* members. We also offer regular promotions to our *Speciality Preferred* members to ensure interactivity aimed at building long-term relationships with such guests. Our loyalty programme has helped us to gather market intelligence, attract new guests and gauge guest satisfaction.

Significant Accounting Policies

The restated financial information included in this Red Herring Prospectus has been prepared by applying the necessary adjustments to the financial information of our Company. This financial information has been prepared under the historical cost convention in accordance with Indian GAAP, the provisions of the Companies Act and SEBI Regulations. The accounting policies have been consistently applied by our Company and are consistent with those used in the previous year. For a full description of our significant accounting policies adopted in the preparation of the restated financial information, see section "Financial Statements" on page 168 of this Red Herring Prospectus.

Fixed Assets

Fixed assets are stated at cost of acquisition, less accumulated depreciation and impairment losses. Cost of acquisition comprises all costs incurred to bring the assets to their location in working condition and all expenses, as estimated by management, incurred until the date of launching new restaurant outlets to the extent they are attributable to the new restaurant outlets.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortisation and impairment losses. Intangible assets are recognised if it is probable that future economic benefits attributable to the asset will flow to our Company and its cost can be reliably measured.

Depreciation and Amortisation

Fixed assets are depreciated *pro rata* for the period of use based on the written down value method at the rates prescribed under Schedule XIV of the Companies Act. Assets costing less than Rs. 5,000 are fully depreciated.

Intangible assets are depreciated using the straight-line method based on our management's estimate of the useful life of such assets. Our management has estimated that the useful life of trademarks and software is five years. Where it is reasonably estimated that software has an enduring useful life, software costs are capitalised.

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

Operating and Financing Leases

We recognise operating lease payments as an expense either (i) as a percentage of restaurant sales under the terms of the lease agreement or (ii) as a ratio of forecasted sales over the lease period, as applicable. Assets acquired under finance leases are accounted for at the inception of the lease, in accordance with Accounting Standard 19 on Leases, at the lower of the fair value of the asset and present value of minimum leases payments.

Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount. The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the profit and loss account.

Revenue Recognition

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Details of our revenue recognition policy are set forth below:

Food and Beverages

Revenue from food and beverages at our company owned and operated restaurants and confectionaries is recognised upon rendering of service, which are recorded net of discounts and value added tax.

Initial Access Premium Fee

Revenue from initial access premium fees under the terms of our franchise agreements is typically recognised upon formalisation of the franchise agreement. The initial access premium fee is non-refundable regardless of whether the franchise restaurant commences operations. In relation to certain franchise agreements, initial access premium fees or brand fees are amortised proportionately over the term of the franchise agreement.

Royalty and Management Fee

Revenue from royalty and management fees charged to franchisees is calculated as a percentage of monthly sales of the franchise restaurant and is accrued for in line with restaurant sales.

Displays and Sponsorships

Revenue from displays and sponsorship is recognised in the period for which the products or sponsor's advertisements are being promoted or displayed.

Gift Vouchers

Revenue from gift vouchers and our point award scheme is recognised when the gift vouchers or points are redeemed and on sale of meals to guests.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchases and other costs incurred in bringing inventories to their present condition and locations. Costs of materials are computed on a first in first out ("FIFO") basis.

Borrowing Costs

Borrowing costs that are attributable to the acquisition or the construction of qualifying assets are capitalised as part of the cost of such assets up to the date when the asset is ready for its intended use. All other borrowing costs are recorded as expenses.

Employee Benefits

Our salaries, allowances, non-monetary benefits and employee benefits including, the provident fund and other funds which are payable to employees within 12 months of rendering the services, are charged as an expense to our profit and loss account in the period in which the services were rendered.

We measure our defined plans, such as gratuity, which fall due for payment after completion of employment using the unit credit method, on the basis of actuarial valuations as at each balance sheet date. Our obligations recognised on the balance sheet represent the present value of the obligations less the fair value of applicable plan assets.

Changes in Accounting Policies

There have been no changes in accounting policies in relation to the financial operations of our Company during the last five Fiscal Years ended March 31, 2007, 2008, 2009, 2010 and 2011 and the nine months ended December 31, 2011.

Income and Expenses

The profitability of our restaurant business is determined by restaurant revenue as well as the cost of raw materials, including ingredients, operating expenses and other expenditures. Our financial performance is also affected by a number of variables external to us and the restaurant industry, including political, economic and social conditions in India. For a description of these and other factors affecting our financial performance, please refer to the section "Risk Factors" on page 13 of this Red Herring Prospectus.

Income

Our total income comprises income from operations and other income.

The following table sets out our income from operations and other income in Rupees in millions and as a percentage of our total income from operations, except as otherwise indicated, for the periods indicated:

Income:	Year Ended March 31,						Nine Months Ended December 31,	
	2009		2010		2011		2011	
	(Rs. in millions)	%	(Rs. in millions)	%	(Rs. in millions)	%	(Rs. in millions)	%
Income from operations:								
Food and beverages	1,149.73	99.74	1,255.64	96.63	1,649.35	95.36	1,435.68	95.89
Franchise income:								
Initial access premium fees	0.08	0.00	24.56	1.89	22.67	1.31	26.53	1.77
Royalty and management fees	2.94	0.26	14.76	1.14	35.94	2.08	30.66	2.05
Income from displays and sponsorship	–	–	3.45	0.27	12.96	0.75	0.91	0.06
Other	–	–	1.05	0.07	8.65	0.50	3.50	0.23
Total income from operations	1,152.76	100.00	1,299.46	100.00	1,729.57	100.00	1,497.28	100.00
Other income(1)	10.03	0.86	9.52	0.73	19.01	1.09	23.83	1.57
Total income	1,162.79	–	1,308.98	–	1,748.58	–	1,521.11	–

Notes:

(1) Percentages are given as a percentage of total income.

Income from operations

Income from operations comprises food and beverages, franchise income and income from displays and sponsorship.

Food and beverages. Food and beverages income comprises income from food and beverages sold at our company owned and operated restaurants.

Franchise income. Franchise income comprises initial access premium fees and royalty and management fees from our franchisees.

Displays and sponsorships. Displays and sponsorships comprise income from cross-promotional activities with unrelated third parties at our company owned and operated restaurants.

Other income from operations. Other income from operations comprise income from designing fees from the franchisees under the terms of our franchise agreements.

Other income

Other income comprises interest received on bank deposits, foreign exchange gain, dividends on certain investments and miscellaneous income.

Expenses

Our expenses comprise expenses from materials (food and beverage), employee remuneration, operation, establishment and selling expenses, depreciation/ amortisation/ impairment and finance costs in respect of our company owned and operated restaurants.

The following table sets out our expenses in Rupees in million and as a percentage of our total income from operations for the periods indicated:

Expenditure:	**Year Ended March 31,**						**Nine Months Ended December 31,**	
	2009		**2010**		**2011**		**2011**	
	(Rs. in millions)	**%**	**(Rs. in millions)**	**%**	**(Rs. in millions)**	**%**	**(Rs. in millions)**	**%**
Materials (food and beverage)	337.20	29.25	364.63	28.06	446.45	25.81	390.73	26.10
Employee remuneration	233.56	20.26	246.46	18.97	339.15	19.61	313.42	20.93
Operation, establishment and selling expenses	387.54	33.62	421.13	32.41	584.08	33.77	475.29	31.74
Depreciation/ Amortisation/ Impairment	84.91	7.37	95.64	7.36	127.31	7.36	91.29	6.10
Finance cost	19.22	1.67	17.24	1.33	16.71	0.97	25.81	1.72
Total	1062.43	92.17	1145.10	88.13	1513.70	87.52	1,296.54	86.59

Materials (food and beverage)

Materials (food and beverage) comprises of expenses incurred in relation to purchase of raw materials and gas for our company owned and operated restaurant operations.

Employee remuneration

Employee remuneration comprises salaries, allowances and bonus payments, contribution to provident funds, gratuity and staff welfare expenses relating to our company owned and operated restaurant employees as well as our corporate and service management personnel.

Operation, establishment and selling expenses

Operation, establishment and selling expenses includes, among others, rent, power and fuel, rates and taxes/ licence fee, operating supplies, advertising and marketing expenses less amount recovered from trade partners and credit card commission.

Depreciation/Amortisation/ Impairment

Depreciation/ amortisation/ impairment relates to depreciation of fixed assets, including installation and related construction costs, as well as leased assets held by the lessee under finance leases, over the useful life of the asset (or in the case of leased assets, the shorter of the useful life of the asset and the leased term).

Finance cost

Finance costs incurred by us include charges payable by us on term loans and other borrowings, bank charges and other such charges.

Our Results of Operations

Nine Months Ended December 31, 2011

Our results of operations for the nine months ended December 31, 2011 were primarily impacted by the following key factors:

- the closure of three company owned and operated restaurants, comprising two *Mainland China* and one *HAKA* restaurant;
- the impairment of fixed assets in the nine months ended December 31, 2011 due to the closure of one company owned and operated *Flame & Grill* restaurant in January 2012;
- the expansion of our company owned and operated restaurant network; and
- the execution of eight new franchise agreements.

Income. Our total income was Rs. 1,521.11 million in the nine months ended December 31, 2011, primarily attributable to our income from food and beverages.

Food and Beverages. Our income from food and beverages was Rs. 1,435.68 million, representing 95.89% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by the income from food and beverages at our existing company owned and operated restaurants, the opening of four company owned and operated restaurants in Fiscal Year 2011, which operated fully during the nine months ended December 31, 2011 and the opening of seven company owned and operated restaurants during the period. This was partially offset by the closure of three company owned and operated restaurants in the nine months ended December 31, 2011.

Franchise Income—Initial Access Premium Fees. Our initial access premium fees was Rs. 26.53 million, representing 1.77% of our total income from operations, in the nine months ended December 31, 2011, attributable to execution of eight franchise agreements in the period.

Franchise Income—Royalty and Management Fees. Our royalty and management fees were Rs. 30.66 million, representing 2.05% of our total income from operations, in the nine months ended December 31, 2011, positively impacted by our royalty and management fees from our existing franchise restaurants, and to a lesser extent, the opening of seven franchise restaurants in Fiscal Year 2011, which operated fully during the nine months ended December 31, 2011 and the opening of one franchise restaurant in December 2011.

Income from displays and sponsorship. Our income from displays and sponsorship was Rs. 0.91 million, representing 0.06% of our total income from operations, in the nine months ended December 31, 2011, attributable to our cross-promotional activities with unrelated third parties.

Other operating income. Our other operating income was Rs. 3.50 million, representing 0.23% of our total income from operations, in the nine months ended December 31, 2011, primarily attributable to the designing fees from franchisees under the terms of our franchise agreements.

Other Income. Our other income was Rs. 23.83 million, representing 1.57% of our total income, in the nine months ended December 31, 2011, comprised primarily interest received on bank deposits and a related party loan, foreign exchange gain and dividend received on investments.

Expenses. Our expenses were Rs. 1,296.54 million, representing 86.59% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by expenditure on our materials (food and beverage), employee remuneration and operation, establishment and selling expenses.

Materials (food and beverage). Our expenses from materials (food and beverage) were Rs. 390.73 million, representing 26.10% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by the volume of raw materials purchased by us due to the increase in operations at our existing company owned and operated restaurants, the opening of four company owned and operated restaurants in Fiscal Year 2011, which were operated fully during the nine months ended December 31, 2011 and the opening of seven company owned and operated restaurants during the period. This was partially offset by the closure of three company owned and operated restaurants in the nine months ended December 31, 2011.

Employee remuneration. Our employee remuneration was Rs. 313.42 million, representing 20.93% of our total income from operations in the nine months ended December 31, 2011, primarily impacted by salaries, bonuses and allowances. Our salaries, bonuses and allowances were Rs. 251.62 million, representing 16.81% of our total income from operations, in the nine months ended December 31, 2011 were primarily impacted by an increase in headcount in preparation for the opening of new company owned and operated restaurants in the nine months ended December 31, 2011, the proposed opening of new company owned and operated restaurants in the fourth quarter of Fiscal Year 2012 and an increase in salaries from July 1, 2011.

Operation, establishment and selling expenses. Our operation, establishment and selling expenses were Rs. 475.29 million, representing 31.74% of our total income from operations, in the nine months ended December 31, 2011.

> *Rent.* Our expenses from rent were Rs. 202.83 million, representing 13.55% of our total income from operations, in the nine months ended December 31, 2011, were positively impacted by the closure of three company owned and operated restaurants during the period.

Depreciation/ amortisation/ impairment. Depreciation provided was Rs. 91.29 million, representing 6.10% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by a decrease in our total fixed assets as a result of the closure of three company owned and operated restaurants during the period and one company owned and operated restaurant which closed in January 2012.

Finance cost. Our finance costs were Rs. 25.81 million, representing 1.72% of our total income from operations, in the nine months ended December 31, 2011, primarily because of an increase in our interest on term loans, other loans and bank charges.

> *Interest on term loans.* Interest on term loans was Rs. 13.51 million, representing 0.90% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by our interest payments on a new term loan from Kotak, under which we drew down an aggregate of Rs. 117.72 million in August and December 2011.
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> *Interest on others.* Interest on other loans was Rs. 6.72 million, representing 0.45% of our total income from operations, in the nine months ended December 31, 2011, primarily impacted by interest payments on our overdraft facility with Kotak.
>
> *Bank charges.* Bank charges were Rs. 5.58 million, representing 0.37% of our total income from operations, in the nine months ended December 2011, primarily impacted by processing fees and other charges incurred under our term loan with the State Bank of India.

Net profit before taxation. As a result of the above, our net profit before taxation was Rs. 224.57 million in the nine months ended December 31, 2011. As a percentage of our total income from operations, our net profit before taxation was 15.00%.

Taxation. Our expense from taxation was Rs. 71.13 million, representing 4.75% of our total income from operations, in the nine months ended December 31, 2011.

Net profit after taxation. As a result of the above, our net profit after taxation was Rs. 153.44 million, representing 10.25% of our total income from operations, in the nine months ended December 31, 2011.

Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010

Income. Our total income increased 33.58% to Rs. 1,748.58 million in Fiscal Year 2011 from Rs. 1,308.98 million in Fiscal Year 2010, primarily attributable to increases in our income from food and beverages.

Food and Beverages. Our income from food and beverages increased 31.36% to Rs. 1,649.35 million, representing 95.36% of our total income from operations, in Fiscal Year 2011 from Rs. 1,255.64 million, representing 96.63% of our total income from operations, in Fiscal Year 2010. The increase in income from food and beverages was attributable to the increase in income from food and beverages at our existing company owned and operated restaurants and to a lesser extent, the net increase in the number of company owned and operated restaurants to 45 as of March 31, 2011 from 41 as of March 31, 2010, which was due to the opening of four company owned and operated restaurants in Fiscal Year 2011.

Franchise Income—Initial Access Premium Fees. Our initial access premium fees decreased 7.70% to Rs. 22.67 million, representing 1.31% of our total income from operations, in Fiscal Year 2011 from Rs. 24.56 million, representing 1.89% of our total income from operations in Fiscal Year 2010, primarily attributable to a decrease in the execution of new franchise agreements to seven in Fiscal Year 2011 from nine in Fiscal Year 2010.

Franchise Income—Royalty and Management Fees. Our royalty and management fees increased 143.50% to Rs. 35.94 million, representing 2.08% of our total income from operations, in Fiscal Year 2011 from Rs. 14.76 million, representing 1.14% of our total income from operations, in Fiscal Year 2010. The increase in our income from royalty and management fees was primarily attributable to the effect of the first full year of operations for the nine franchise restaurants opened in Fiscal Year 2010, and to a lesser extent, seven additional franchise restaurants opened in Fiscal Year 2011.

Income from displays and sponsorship. Our income from displays and sponsorship increased 275.65% to Rs. 12.96 million, representing 0.75% of our total income from operations, in Fiscal Year 2011 from Rs. 3.45 million, representing 0.27% of our total income from operations, in Fiscal Year 2010, primarily attributable to an increase in our cross-promotional activities with unrelated third parties. See section "Our Business—Marketing—Advertising Strategy" on page 130 of this Red Herring Prospectus.

Other operating income. Our other operating income increased significantly to Rs. 8.65 million, representing 0.50% of our total income from operations, in Fiscal Year 2011 from Rs. 1.05 million, representing 0.07% of our total income from operations in Fiscal Year 2010, primarily attributable to an increase in the designing fees collected in relation to our new franchise agreements.

Other Income. Our other income increased by 99.68% to Rs. 19.01 million, representing 1.09% of our total income, in Fiscal Year 2011 from Rs. 9.52 million, representing 0.73% of our total income, in Fiscal Year 2010, primarily attributable to an increase in our designing fees from franchisees.

Expenses. Our expenses increased 32.19% to Rs. 1,513.70 million, representing 87.52% of our total income from operations, in Fiscal Year 2011 from Rs. 1,145.10 million, representing 88.13% of our total income from operations, in Fiscal Year 2010, primarily attributable to increases in our expenses from materials (food and beverage), employee remuneration and operation, establishment and selling expenses.

Materials (food and beverage). Our expenses from materials (food and beverage) increased 22.44% to Rs. 446.45 million in Fiscal Year 2011 from Rs. 364.63 million in Fiscal Year 2010, primarily because of an increase in the overall prices of materials (food and beverage) and to a lesser extent, an increase in the overall volume of materials consumed due to the expansion of our company owned and operated restaurant network in Fiscal Year 2011. As a percentage of our total income from operations, our expenses from materials (food and beverage) decreased to 25.81% in Fiscal Year 2011 from 28.06% in Fiscal Year 2010 because we were able to pass on a significant portion of these increases in the prices to our guests. We also enjoyed cost savings from a more efficient procurement of materials and a reduction in wastage.

Employee remuneration. Our employee remuneration increased 37.61% to Rs. 339.15 million, representing 19.61% of our total income from operations, in Fiscal Year 2011 from Rs. 246.46 million, representing 18.97% of our total income from operations, in Fiscal Year 2010, primarily attributable to an increase in salaries, bonuses and allowances. Our salaries, bonuses and allowances increased 38.91% to Rs. 270.26 million, representing 15.63% of our total income from operations, in Fiscal Year 2011 from Rs. 194.56 million, representing 14.97% of our total income from operations, in Fiscal Year 2010, primarily because of an increase in headcount in preparation for the opening of new company owned and operated restaurants in Fiscal Year 2012.

Operation, establishment and selling expenses. Our operation, establishment and selling expenses increased 38.69% to Rs. 584.08 million, representing 33.77% of our total income from operations, in Fiscal Year 2011 from Rs. 421.13 million, representing 32.41% of our total income from operations, in Fiscal Year 2010, primarily attributable to an increase in our expenses from rent and an increase in net advertising and marketing expenses.

Rent. Our expenses from rent increased 33.96% to Rs. 249.17 million, representing 14.41% of our total income from operations, in Fiscal Year 2011 from Rs. 186.00 million, representing 14.31% of our total income from operations, in Fiscal Year 2010, primarily attributable to higher rental charges for the seven new company owned and operated restaurants opened in Fiscal Year 2010, which operated fully in Fiscal Year 2011, partially offset by the closure of six company owned and operated restaurants in Fiscal Year 2010 and an increase in the rent of our company owned and operated restaurants operating under revenue sharing leases.

Net advertising and marketing expenses. Our net advertising and marketing expenses increased 187.83% to Rs. 43.52 million, representing 2.52% of our total income from operations, in Fiscal Year 2011 from Rs. 15.12 million, representing 1.16% of our total income from operations, in Fiscal Year 2010, primarily attributable to an increase in advertising and marketing expenses, partially offset by an increase in amount recovered from trade partners. Our advertising and marketing expenses increased 63.80% to Rs. 62.00 million, representing 3.58% of our total income from operations, in Fiscal Year 2011 from Rs. 37.85 million, representing 2.91% of our total income from operations, in Fiscal Year 2010, primarily attributable to advertising on television and in various publications. The amount recovered from trade partners decreased 18.70% to Rs. 18.48 million, representing 1.07% of our total income from operations, in Fiscal Year 2011 from Rs. 22.73 million, representing 1.75% of our total income from operations, in Fiscal Year 2010, primarily attributable to a decrease in the fees received from unrelated third parties under certain of our joint marketing agreements and arrangements.

Depreciation/ Amortisation/ Impairment. Depreciation provided increased 33.11% to Rs. 127.31 million, representing 7.36% of our total income from operations, in Fiscal Year 2011 from Rs. 95.64 million, representing 7.36% of our total income from operations, in Fiscal Year 2010, primarily attributable to an increase in our total fixed assets as a result of the increase in the number of our company owned and operated restaurants. In addition, there were provisions made for the impairment of Rs. 14.19 million in Fiscal Year 2011 due to the Company's decision to close three company owned and operated restaurants. The three company owned and operated restaurants were closed during the nine months ended December 31, 2011.

Finance cost. Our finance cost decreased slightly to Rs. 16.71 million, representing 0.97% of our total income from operations, in Fiscal Year 2011 from Rs. 17.24 million, representing 1.33% of our total income from operations, in Fiscal Year 2010, primarily attributable to the conversion of the remaining portion of our Rupee term loan with the State Bank of India to a foreign currency loan which bears a lower rate of interest, partially offset by an increase in our bank charges.

Net profit before taxation. As a result of the above, our net profit before taxation increased 43.32% to Rs. 234.88 million in Fiscal Year 2011 from Rs. 163.88 million in Fiscal Year 2010. As a percentage of our total income from operations, our net profit before taxation increased to 13.58% in Fiscal Year 2011 from 12.61% in Fiscal Year 2010.

Taxation. Our expense from taxation increased 51.10% to Rs. 78.60 million, representing 4.54% of our total income from operations, in Fiscal Year 2011 from Rs. 52.02 million, representing 4.00% of our total income from operations, in Fiscal Year 2010.

Net profit after taxation. As a result of the above, our net profit after taxation increased 39.71% to Rs. 156.28 million in Fiscal Year 2011 from Rs. 111.86 million in Fiscal Year 2010. As a percentage of our total income from operations, our net profit after taxation remained relatively stable, increasing slightly to 9.04% in Fiscal Year 2011 from 8.61% in Fiscal Year 2010.

Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009

Income. Our total income increased 12.57% to Rs. 1,308.98 million in Fiscal Year 2010 from Rs. 1,162.79 million in Fiscal Year 2009, primarily attributable to increases in our income from food and beverages.

Food and Beverages. Our income from food and beverages increased 9.21% to Rs. 1,255.64 million, representing 96.63% of our total income from operations, in Fiscal Year 2010 from Rs. 1,149.73 million, representing 99.74% of our total income from operations, in Fiscal Year 2009. The increase in income from food and beverages was attributable to the increase in income from food and beverages at our existing company owned and operated restaurants and the net increase in the number of company owned and operated restaurants to 41 as of March 31, 2010 from 40 as of March 31, 2009, which was due to the opening of seven company owned and operated restaurants and the closing of six company owned and operated restaurants in Fiscal Year 2010. This was partially offset by a decrease in income from food and beverages due to a decrease in the number of guests served at our existing company owned and operated restaurants due to reduced discretionary guest spending resulting from the recent global financial crisis.

Franchise Income—Initial Access Premium Fees. Our initial access premium fees increased significantly to Rs. 24.56 million, representing 1.89% of our total income from operations, in Fiscal Year 2010 from Rs. 0.08 million, representing 0.00% of our total income from operations, in Fiscal Year 2009, primarily attributable to the execution of nine new franchise agreements.

Franchise Income—Royalty and Management Fees. Our royalty and management fees increased 402.04% to Rs. 14.76 million, representing 1.14% of our total income from operations, in Fiscal Year 2010 from Rs. 2.94 million, representing 0.26% of our total income from operations, in Fiscal Year 2009. The increase in our income from royalty and management fees was primarily attributable to the nine additional franchise restaurants opened in Fiscal Year 2010 as well as the effect of the first full year of operations for the one franchise restaurant opened in Fiscal Year 2009.

Income from displays and sponsorship. Our income from displays and sponsorship was Rs. 3.45 million, representing 0.27% of our total income from operations, in Fiscal Year 2010, primarily attributable to our cross-promotional activities with unrelated third parties. We did not have any income from displays and sponsorship prior to Fiscal Year 2010. See section "Our Business—Marketing—Advertising Strategy" on page 130 of this Red Herring Prospectus.

Other operating income. Our other operating income was Rs. 1.05 million in Fiscal Year 2010, representing 0.07% of our total income from operations, primarily attributable to designing fees from franchisees. We did not record any other operating income prior to Fiscal Year 2010.

Other Income. Our other income decreased marginally by 5.08% to Rs. 9.52 million, representing 0.73% of our total income, in Fiscal Year 2010 from Rs. 10.03 million, representing 0.86% of our total income, in Fiscal Year 2009, primarily attributable to income from foreign exchange gain (net) and an increase in miscellaneous income, which was partially offset by a decrease in income from dividend on current investments. Our foreign exchange gain (net) increased due to differences arising in exchange rates on forward contracts.

Expenses. Our expenses increased 7.78% to Rs. 1,145.10 million, representing 88.13% of our total income from operations, in Fiscal Year 2010 from Rs. 1,062.43 million, representing 92.17% of our total income from operations, in Fiscal Year 2009, primarily attributable to increases in our materials (food and beverage), employee remuneration, operation, establishment and selling expenses and depreciation/ amortisation/ impairment.

Materials (food and beverage). Our expenses from materials (food and beverage) increased 8.13% to Rs. 364.63 million in Fiscal Year 2010 from Rs. 337.20 million in Fiscal Year 2009, primarily because of an increase in the overall prices of materials (food and beverage) and to a lesser extent, an increase in the overall volume of materials (food and beverage) due to the expansion of our company owned and operated restaurant network in Fiscal Year 2010. As a percentage of our total income from operations, our expenses from materials (food and beverage) remained relatively stable, experiencing a slight decrease to 28.06% in Fiscal Year 2010 from 29.25% in Fiscal Year 2009 because we were able to pass on a significant portion of these increases in the prices of materials to our guests.

Employee remuneration. Our employee remuneration increased 5.52% to Rs. 246.46 million, representing 18.97% of our total income from operations, in Fiscal Year 2010 from Rs. 233.56 million, representing 20.26% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in salaries, bonuses and allowances. Our salaries, bonuses and allowances increased 3.57% to Rs. 194.56 million, representing 14.97% of our total income from operations, in Fiscal Year 2010 from Rs. 187.85 million, representing 16.30% of our total income from operations, in Fiscal Year 2009, primarily because of an increase in headcount due to the additional company owned and operated restaurants in operation in Fiscal Year 2010.

Operation, establishment and selling expenses. Our operation, establishment and selling expenses increased 8.67% to Rs. 421.13 million, representing 32.41% of our total income from operations, in Fiscal Year 2010 from Rs. 387.54 million, representing 33.62% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in our expenses on rent and an increase in net advertising and marketing expenses.

> *Rent.* Our expenses from rent increased 13.71% to Rs. 186.00 million, representing 14.31% of our total income from operations, in Fiscal Year 2010 from Rs. 163.57 million, representing 14.19% of our total income from operations, in Fiscal Year 2009, primarily because of an expansion of our company owned and operated restaurants, to a lesser degree, higher rental charges under the new leases entered into in Fiscal Year 2010 and an increase in the rent of our company owned and operated restaurants operating under revenue sharing leases, partially offset by a decrease in rental charges for certain properties.
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> *Net advertising and marketing expenses.* Our net advertising and marketing expenses increased 303.20% to Rs. 15.12 million, representing 1.16% of our total income from operations, in Fiscal Year 2010 from Rs. 3.75 million, representing 0.33% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in advertising and marketing expenses, partially offset by an increase in amount recovered from trade partners. Our advertising and marketing expenses increased 144.98% to Rs. 37.85 million, representing 2.91% of our total income from operations, in Fiscal Year 2010 from Rs. 15.45 million, representing 1.34% of our total income from operations, in Fiscal Year 2009, primarily because of the launch of a new electronic media marketing campaign. The amount recovered from trade partners increased 94.27% to Rs. 22.73 million, representing 1.75% of our total income from operations, in Fiscal Year 2010 from Rs. 11.70 million, representing 1.01% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in the contractual fees received from unrelated third parties under certain of our joint marketing agreements.

Depreciation/ Amortisation/ Impairment. Depreciation provided increased 12.64% to Rs. 95.64 million, representing 7.36% of our total income from operations, in Fiscal Year 2010 from Rs. 84.91 million, representing 7.37% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in our total fixed assets as a result of the expansion of our company owned and operated restaurants.

Finance cost. Our finance cost decreased 10.30% to Rs. 17.24 million, representing 1.33% of our total income from operations, in Fiscal Year 2010 from Rs. 19.22 million, representing 1.67% of our total income from operations, in Fiscal Year 2009, primarily because of a decrease in our interest on term loans and other loans, partially offset by an increase in our bank charges.

> *Interest on term loans.* Interest on term loans decreased 11.13% to Rs. 13.98 million, representing 1.08% of our total income from operations, in Fiscal Year 2010 from Rs. 15.73 million, representing 1.36% of our total income from operations, in Fiscal Year 2009, due to the prepayment of our corporate loan with the State Bank of Hyderabad and the conversion of a portion of our Rupee term loan with State Bank of India to a foreign currency loan which bears a lower rate of interest.
>
> *Interest on others.* Interest on other loans from our Group Companies, Promoters, Directors and certain relatives of our Promoters decreased 88.89% to Rs. 0.29 million, representing 0.02% of our total income from operations, in Fiscal Year 2010, from Rs. 2.61 million, representing 0.23% of our total income from operations, in Fiscal Year 2009, primarily because certain of our Group Companies, Promoters, Directors and certain relatives of our Promoters waived the interest for Fiscal Year 2010 on all of our related party loans. In addition, we repaid certain of our related party loans.

Bank charges. Bank charges increased 237.50% to Rs. 2.97 million, representing 0.23% of our total income from operations, in Fiscal Year 2010, from Rs. 0.88 million, representing 0.08% of our total income from operations, in Fiscal Year 2009, primarily attributable to an increase in cash collection charges.

Net profit before taxation. As a result of the above, our net profit before taxation increased 63.32% to Rs. 163.88 million in Fiscal Year 2010 from Rs. 100.34 million in Fiscal Year 2009. As a percentage of our total income from operations, our net profit before taxation increased to 12.61% in Fiscal Year 2010 from 8.70% in Fiscal Year 2009.

Taxation. Our expense from taxation increased 39.61% to Rs. 52.02 million, representing 4.00% of our total income from operations, in Fiscal Year 2010 from Rs. 37.26 million, representing 3.23% of our total income from operations, in Fiscal Year 2009.

Net profit after taxation. As a result of the above, our net profit after taxation increased 77.33% to Rs. 111.86 million in Fiscal Year 2010 from Rs. 63.08 million in Fiscal Year 2009. As a percentage of our total income from operations, our net profit after taxation increased to 8.61% in Fiscal Year 2010 from 5.47% in Fiscal Year 2009.

Liquidity and Capital Resources

Our primary sources of funding are cash from operating activities, bank loans, and shareholders' equity. Our primary uses of funds have historically been for capital expenditure and repayments of bank loans. As of December 31, 2011, we had cash and bank balances totalling Rs. 80.08 million.

We expect to meet our working capital, capital expenditures and investment requirements for the next 12 months primarily from revenues from operating activities, as well as the proceeds from this Issue. Depending on our financing needs and market conditions, we may also from time to time seek other sources of funding, which may include debt or equity financings, including Rupee and foreign currency denominated loans. We expect that our principal uses of cash for Fiscal Years 2013, 2014 and 2015 will be for the setting up of new company owned and operated restaurants. See the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

Indebtedness

Related Party Financing

We have historically received funding from our Group Companies, Promoters, Directors and certain relatives of our Promoters for our capital expenditure, principally with respect to the setting-up of new restaurants and payment for certain long-term land leases and land acquisitions with respect to planned projects. The aggregate principal amount of advances outstanding from our related parties was Rs. 59.01 million, Rs. 57.58 million, Rs. 58.67 million and Rs. 55.82 million as of March 31, 2009, 2010 and 2011 and December 31, 2011, respectively. For more information on our related party financing, see Annexures 14(a)-(f) to our restated financial statements in the section "Financial Statements" on page 168 of this Red Herring Prospectus.

In addition, our Promoters and Group Companies have extended certain security arrangements and guarantees (personal and corporate) in relation to our bank loans. See "—Bank Loans" below for further information.

Bank Loans

Our total bank loans outstanding was Rs. 182.13 million, Rs. 179.22 million, Rs. 138.90 million, Rs. 260.02 million and Rs.188.61 million as of March 31, 2009, 2010 and 2011, December 31, 2011 and February 29, 2012, respectively. See section "Financial Indebtedness" on page 243 of this Red Herring Prospectus for further information.

Capital Expenditures

Our capital expenditures during Fiscal Years 2009, 2010 and 2011 and the nine months ended December 31, 2011 were Rs. 310.44 million, Rs. 146.43 million, Rs. 141.05 million and Rs. 259.36 million, respectively. The majority of our capital expenditures relate to the development of our new company owned and operated restaurants, and to a lesser extent, to the renovation of our existing company owned and operated restaurants. Such capital expenditures generally include the purchase of furniture and fixtures, purchase of plant and machinery and leasehold improvements.

We have historically sourced funding for capital expenditures through funding from our Group Companies, Promoters, Directors and certain relatives of Promoters, long term borrowings and internal accruals. Our projected capital expenditures in respect of our New Restaurants and the food plaza for the Fiscal Years 2013, 2014 and 2015 are Rs. 544.88 million, Rs. 558.19 million and Rs. 364.90 million, respectively. For further details regarding our projected capital expenditures, please refer to the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

We expect to fund our budgeted capital expenditures principally through the proceeds of this Issue and cash from operations. The figures used in our capital expenditure plans are based on management's estimates and have not been appraised by any independent organisation. In addition, our capital expenditure plans are subject to a number of variables.

Contractual Obligations and Commitments

The following table sets forth our contractual obligations relating to bank loan and leasehold properties as of December 31, 2011 for the periods indicated.

Contractual Obligations:	Payment Due By Period			
	Less than 1 Year	1-5 Years	More than 5 Years	Total
	(Rs. in millions)			
Bank loans	164.35	64.21	31.46	260.02
Leasehold properties taken on operating lease	41.86	48.83	–	90.69
Total	206.21	113.04	31.46	350.71

Bank loans relate to our loans with Kotak Mahindra Bank Limited and State Bank of India.

Leasehold property obligations relate to the operating land leases for our company owned and operated restaurants and confectionaries. We intend to fund the leasehold property obligations from our internal accruals.

We also have certain capital commitments which relate to contracts or orders entered into for capital expenditure. As of December 31, 2011, our capital commitments amounted to Rs. 160.40 million. We currently intend to fund these capital commitments from our internal accruals, bank loans and Issue Proceeds.

Off-Balance Sheet Arrangements and Contingent Liabilities

We have various contractual obligations, some of which are required to be recorded as liabilities in our restated financial statements, including certain bank loans. Others, namely our capital commitments under certain financial guarantees from Kotak Mahindra Bank Limited to guarantee the payment of obligations to third parties, are not generally required to be recognised as liabilities on our balance sheet. As of December 31, 2011, such financial guarantees with Kotak Mahindra Bank Limited amounted to Rs. 5.41 million. We also have certain contingent liabilities which relate to litigation against the Company. As of December 31, 2011, such contingent liabilities amounted to Rs. 186.62 million. We do not have any other off-balance sheet arrangements that we believe have, or are reasonably likely to have, a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

Our principal financial instrument consists of bank loans. These are used to provide funding for our business operations.

We believe that the principal risks arising from our financial instruments are interest rate risk, liquidity risk and foreign exchange risk.

Interest Rate Risk

Our exposure to interest rate risk relates primarily to our loans with State Bank of India. As of December 31, 2011, we had bank loans in the aggregate amount of Rs. 260.02 million. Therefore, fluctuations in interest rates could lead to increases in interest due on our outstanding debt and increases in such rates could make it difficult for us to procure new debt on attractive terms. We currently do not, and have no plans to engage in, interest rate derivative or swap activity.

Liquidity Risk

We face the risk that we may not have sufficient cash flows to meet our operating requirements and our financing obligations when they come due. We manage our liquidity profile through our management of existing funds and forward planning for future funding requirements.

To the extent we are able to do so, we intend to primarily use our internal accruals and proceeds from this Issue to meet our financing requirements.

Foreign Exchange Risk

We are exposed to certain foreign currency risks. For example, we receive payments in foreign currency from our franchisee in Dhaka. From time to time, we enter into certain foreign currency forward contracts with State Bank of India to hedge our risk associated with foreign currency fluctuations between the US Dollar and the Rupee.

Taxes

For details regarding taxation and the regulatory environment in which we operate, please refer to the section “Statement of Tax Benefits” on page 94 of this Red Herring Prospectus.

Prospective Changes in Accounting Policies

In January 2010, the Ministry of Corporate Affairs issued a roadmap for convergence of IFRS in India pursuant to which certain listed companies will be required to present their financial statements under IND-AS. As per the schedule of implementation set out, our Company will be required to comply with such standards beginning April 1, 2014. We have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. See section “Risk Factors—Investment Risks—We will be required to prepare our financial statements in accordance with IFRS effective from April 1, 2014. There can be no assurance that our adoption of ‘Indian Accounting Standards converged with IFRS’(“IND-AS”) will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS from April 1, 2014 could have an adverse effect on the price of the Equity Shares” on page 39 of this Red Herring Prospectus

FINANCIAL INDEBTEDNESS

The details of borrowings of our Company as on February 29, 2012 are set forth below:

Secured Loans

The details of our secured loans as of February 29, 2012 are as follows:

Sl. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (in Rs. million)	Amount Outstanding as of February 29, 2012 (in Rs. million)	Interest	Tenure	Security
1.	Kotak Mahindra Bank Limited	Master Facility Agreement dated November 10, 2009 (the "Master Facility Agreement"), sanction letter dated February 24, 2010, sanction letter dated April 27, 2011, Supplementary Agreement dated August 8, 2011, sanction letter dated September 7, 2011 and the sanction letter dated December 20, 2011	Aggregate: 300.00	Aggregate: 130.84			
			Overdraft facility: 165.00	0.00	As mutually agreed between our Company and KMBL at the time of disbursement. 12.00% p.a. floating rate (on the basis of Bank's base rate plus 2.00%). (1) (2)	Maximum Tenure: 12 months. This facility is revolving in nature and subject to review of KMBL.	Refer to Note 1a
			Short term loan (as a sub-limit of overdraft facility)(3): 165.00	0.00	As mutually agreed between our Company and KMBL at the time of disbursement. 12.00% p.a. floating rate (on the basis of Bank's base rate plus 2.00%). (1) (2)	This facility is valid for a maximum period of 180 days. This facility is revolving in nature and subject to the review and discretion of KMBL.	Refer to Note 1b

Sl. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (in Rs. million)	Amount Outstanding as of February 29, 2012 (in Rs. million)	Interest	Tenure	Security
			Bank Guarantee 2 (as a sub-limit of overdraft facility) (4) : 20.00	0.40	-	The tenure of this facility is maximum 12 months (including claim period).	Refer to Note 1c
			Term loan: 130.00	122.15	As mutually agreed between our Company and KMBL at the time of disbursement. 12.00% p.a. floating rate (on the basis of Bank's base rate plus 2.00%).(2)	The tenure of this facility is a maximum of 60 months excluding moratorium period of three months. Amount repayable in 10 semiannual instalments beginning from December 2011.	Refer to Note 1d
			Bank Guarantee 1(4): 5.00	4.81	-	The tenure of this facility is maximum 10 years (including claim period). This facility is revolving in nature and subject to the review and discretion of KMBL.	Refer to Note 1e
2.	Kotak Mahindra Bank Limited	Sanction letter dated February 21, 2012	Letter of credit (foreign): 3.90	3.80	-	Maximum tenor of 45 days	Refer to Note 2a
3.	State Bank of India	Term loan agreement dated March 1, 2006, Supplemental Agreements dated July 3, 2006, November 26, 2008 and December	Aggregate: 509.50	Aggregate: 63.66			

Sl. No.	Name of the Lenders	Nature of Borrowing	Amount Sanctioned (in Rs. million)	Amount Outstanding as of February 29, 2012 (in Rs. million)	Interest	Tenure	Security
		14, 2011and sanction letter dated September 30, 2005, sanction letter dated April 24, 2006, sanction letter dated September 15, 2008, sanction letter dated January 15, 2009, sanction letter dated September 22, 2009 and sanction letter dated September 20, 2011					
			Term loan-I[5]: 94.50	58.66[5]	13.75% p.a. with monthly rests, and reset after every year as against applicable pricing.[6] [7]	Amount repayable in 14 quarterly instalments beginning from December 2009.	Refer to Note 3a
			Term loan-II: 210.00	5.00	13.50% p.a. with monthly rests and annual reset as against applicable pricing.[8][9]	Amount repayable in 18 quarterly instalments beginning from December 2012.	Refer to Note 3b
			Corporate loan: 195.00	0.00	13.50% p.a. with monthly rests and annual reset as against applicable pricing.[8][9]	Amount repayable in 17 quarterly instalments beginning from March 2012.	Refer to Note 3c
			Forward contract limit Exposure (indebtedness): 10.00	0.00	-	12 months	-

(1) *Our Company will be liable to pay interest at 2.00% per annum over and above the overdraft interest rate to KMBL in the event of any failure to repay the amount outstanding within stipulated time.*

(2) *KMBL has revised its base rate from 9.75% to 10.00 with effect from November 1, 2011.*

(3) *The combined exposure of 'overdraft facility' and 'short term loan' cannot exceed Rs. 165.00 million at any point of time.*

(4) *The combined exposure of 'Bank Guarantee 1' and 'Bank Guarantee 2' cannot exceed Rs. 25.00 million at any point of time.*

(5) *SBI through its letter dated September 22, 2009 has approved forward contract exposure of Rs. 22.00 million under notional limit of Term Loan-I of Rs. 225.00 million for hedging exchange rate risk and interest rate risk. Further, as per letters dated September 22, 2009 and December 24, 2009 from SBI, a part of the term loan of Rs. 100 million and Rs. 50 million, was converted into 'FCNR (B) TL' at card rate with hedging and subject to availability of funds. As per letter dated June 7, 2011, SBI approved forward contract exposure of Rs. 2.20 million under notional amount of Rs. 111.50 million of the FCNR(B) TL limit as of June 7, 2011. The sanction amount was revised by SBI pursuant to its letter dated September 20, 2011 from Rs. 225.00 million to Rs. 94.50 million and the existing forward contract exposure limit was revised from Rs. 2.20 million to Rs. 10.00 million, under a notional limit of Rs. 500 million.*

(6) Our Company will be liable to pay default in payment of interest at 2.00% p.a. over the prevailing interest rate to SBI in the event of any failure to repay the instalment on all amounts outstanding for the period of default. Further, we will be liable to pay additional interest at 1% on delayed drawdown beyond two months.

(7) SBI through its letter dated June 7, 2011 revised the rate of interest on the Term Loan-I to 3.75% above base rate, present effective rate being 13.75% p.a. with monthly rests and annual reset.

(8) SBI through its letter dated September 20, 2011 has approved the improved pricing for Term Loan-II and Corporate Loan at 3.50% above base rate, present effective rate being 13.50% p.a. with monthly rests and annual reset.

(9) SBI through its letter dated September 20, 2011 has also approved for conversion of the Term Loan-II of Rs. 210.00 million and the Corporate Loan of Rs. 195.00 million into FCNR (B) TL with the swing option subject to availability of funds at card rate on a fully hedged basis.

Additionally, our Company has also availed loans from SBI and HDFC Bank Limited, for the purpose of purchase of vehicles and the aggregate loan amount outstanding as of February 29, 2012 is Rs. 3.12 million.

Note 1a:

(a) First and exclusive charge on all existing and future credit card receivables of our Company; and

(b) Personal Guarantees of Anjan Chatterjee and Suchhanda Chatterjee.

Note 1b:

(a) First and exclusive charge on all existing and future credit card receivables of our Company; and

(b) Personal Guarantees of Anjan Chatterjee and Suchhanda Chatterjee.

Note 1c:

(a) First and exclusive charge on all existing and future credit card receivables of our Company;

(b) Personal Guarantees of Anjan Chatterjee and Suchhanda Chatterjee; and

(c) Lien on fixed deposits

Note 1d:

(a) First and exclusive charge on fixed assets of our Company, to be created out of term loan tranches disbursed by KMBL;

(b) Mortgage by way of exclusive charge on immovable properties being office premises owned by:

- Situations Advertising & Marketing Services Private Limited, at Office Nos. 301-305, 3rd Floor and Office Nos. 501-505, 5th Floor, Hari Om Chambers, Veera Industrial Estate, New Link Road, Andheri (West), Mumbai, 400 053;

(c) Minimum asset cover of 1.00 to be maintained on immoveable fixed assets;

(d) Personal guarantees of Anjan Chatterjee and Suchhanda Chatterjee; and

(e) Corporate guarantee of Situations Advertising & Marketing Services Private Limited.

Note 1e:

(a) Lien on fixed deposits; and

(b) Personal guarantees of Anjan Chatterjee and Suchhanda Chatterjee.

Note 2a:

(a) Lien on fixed deposits; and

(b) Personal guarantees of Anjan Chatterjee and Suchhanda Chatterjee.

Note 3a:

(a) Exclusive hypothecation charge over entire fixed and movable assets of our Company;

(b) Exclusive hypothecation charge over the entire current assets of our Company excluding the credit card receivables charged to KMBL;

(c) Extension of equitable mortgage on property:

- Owned by Prosperous Promotors Private Limited, over Plot No.4, Local Shopping Centre, Masjid Moth, New Delhi 110 048; and
- Owned by Situations Advertising & Marketing Services Private Limited, over Unit Nos. 103-106, First Floor, Shalimar Morya Park, Veera Estate, Andheri (West), Mumbai 400 053;

(d) Extension of mortgage charge over land located at:

- Sub-central Business, Premises No. 15-MAR in Street No. 178, situated in New Town, P.S. Rajarhat, District North 24 Paraganas, Kolkata owned by our Company;

(e) Extension of mortgage charge over land located at:

- Food Park, Mouza- Kandua, under Sankrail Police Station, Howrah District - 711 313 leased to our Company by WBIDC;

(f) Personal guarantees of Anjan Chatterjee and Suchhanda Chatterjee; and

(g) Corporate guarantees of Situations Advertising & Marketing Services Private Limited and Prosperous Promotors Private Limited.

Note 3b:

(a) Exclusive equitable mortgage/hypothecation charge on fixed and movable assets of our Company's proposed projects at Food Park, having three restaurants and banquet, land on free hold basis, one catering college and one food plaza (processing unit) land on lease basis at:

- Food plaza (processing unit) at WBIDC, F-27(A) Kandua, Sankrail, Howrah, West Bengal;
- Food park at WBHIDCO land at 15-Mar, Street No. 178, Rajarhat, North 24 Paraganas, Kolkata; and
- Catering College, Plot No. 27, Block DD, Sector-I, Bidhan Nagar, West Bengal.

(b) Collateral over:

- Hypothecation charge over entire fixed asset and movable assets of our Company other than the fixed assets and movable assets at restaurants financed by the KMBL loan;
- Exclusive hypothecation charge over entire current assets of our Company, excluding charge on credit card receivables charged to KMBL;
- Equitable mortgage over Plot No. 4, Local Shopping Centre, Masjid Moth, New Delhi 110048 in the name of our associate, M/s. Prosperous Promotors Private Limited; and
- Equitable mortgage over Unit Nos. 103 to 106, First Floor, Shalimar Morya Park, Veera Industrial Estate, Andheri (West), Mumbai 400053 in the name of Situations Advertising & Marketing Services Private Limited.

(c) Personal guarantees of Anjan Chatterjee and Suchhanda Chatterjee; and

(d) Corporate guarantees of Situations Advertising & Marketing Services Private Limited and Prosperous Promotors Private Limited.

Note 3c:

(a) Exclusive equitable mortgage/ hypothecation charge on fixed and movable assets of our Company's proposed project of setting up of ten new restaurants across the country- land on lease basis.

(b) Collateral over:

- Hypothecation charge over entire fixed asset and movable assets of our Company other than the fixed and movable assets at restaurants financed by KMBL term loan;
- Exclusive hypothecation charge over entire current assets of our Company, excluding charge on credit card receivables charged to KMBL;
- Equitable mortgage over Plot No. 4, Local Shopping Centre, Masjid Moth, New Delhi 110 048 in the name of our associate Prosperous Promotors Private Limited;
- Equitable mortgage over Unit Nos. 103-106, First Floor, Shalimar Morya Park, Veera Industrial Estate, Andheri (West), Mumbai 400053 in the name of Situations Advertising & Marketing Services Private Limited;
- Extension of equitable mortgage on the WBHIDCO land at 15 Mar, Street No. 178, Rajarhat, North 24 Paraganas, Kolkata, standing in the name of our Company;
- Extension of equitable mortgage over plot of land under WBIDC at F-27(A), Kandua, Sankrail, Howrah, West Bengal leased to our Company for 99 years; and
- Extension of equitable mortgage over Plot No. 27, Block DD, Sector-I, Bidhan Nagar, West Bengal, leased to our Company for 999 years.

Corporate Actions

Certain corporate actions for which, our Company requires prior written approval (including approvals that may be required on occurrence of an event of default) of the lenders, include:

1. Effect any lien, alienation, sale, transfer, grant, lease, dispose of, mortgage, charge, assignment, deal or other disposition of or encumbrance of, or creation of charge or encumbrance over the secured assets;
2. Compromise with any of the creditors or shareholders, or any other arrangements, mergers, amalgamations, consolidations, structuring, restructuring, spin offs and hive offs;
3. Shall not allow any payout by way of salary to directors (other than professional directors) or by way of interest to other subordinate lenders or by way of dividend to shareholders;

4. Permit any transfer of the controlling interest or make any drastic change in the management operations;

5. Any change in capital structure;

6. Entering into schemes of mergers, compromise, amalgamation or consolidation with any entity, subsidiary or affiliate;

7. Invest, lend or issue of any guarantee or letter of comfort or similar documents to any entity;

8. Amendment to the Memorandum and Articles of Association;

9. Incur further indebtedness;

10. Prohibition on further charges against the security;

11. Repay money brought in by our Promoters, Directors or relatives and friends of our Promoters or Directors by way of deposits, loan, advance;

12. Undertake guarantee obligations on behalf of any other entity;

13. Further expansion of business/ taking up a new business activity; and

14. Approaching other banks for any additional limits/ bill limits/ non-fund based limits till all the dues have been duly paid and liabilities have been fully discharged.

In addition, our Company is required to maintain certain financial ratios, including current ratio, total debt gearing and debt service coverage ratio. Our Company is also required to give a notice to the lenders of its intention to issue any unissued share capital or to create new shares.

Unsecured Loans

As of February 29, 2012 our Company has outstanding loans of Rs. 55.82 million availed as unsecured loans in the form of short/medium term loans from Promoters/Directors and their relatives. The details of the same are set forth below:

Sr. No.	Name of the Lenders	Amount Outstanding as of February 29, 2012 (Rs. in million)	Rate of Interest	Repayment
1.	Suchhanda Chatterjee	22.97	No interest is payable for the current Fiscal Year 2012	The loans are repayable on demand
2.	Anjan Chatterjee	21.55	No interest is payable for the current Fiscal Year 2012	The loans are repayable on demand
3.	Harshita Chatterjee	4.84	No interest is payable for the current Fiscal Year 2012	The loans are repayable on demand
4.	Avik Chatterjee	4.40	No interest is payable for the current Fiscal Year 2012	The loans are repayable on demand
5.	Anjan Chatterjee (HUF)	2.06	No interest is payable for the current	The loans are repayable on demand

Sr. No.	Name of the Lenders	Amount Outstanding as of February 29, 2012 (Rs. in million)	Rate of Interest	Repayment
			Fiscal Year 2012	
	Total	**55.82**		

For details in relation beneficiaries of loans and advances and sundry debtors who are related to the Directors of our Company, see section "Related Party Transactions" on page 166 of this Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or disputed tax liabilities against our Company, Promoters, Directors and Group Companies, and that there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks / financial institutions, defaults in dues payable to the holders of any debentures, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoters and Directors or the Group Companies. The following are the outstanding litigation or pending litigations or suits or proceedings against our Company involving a claim of Rs. 1.00 million and more and criminal complaints or cases, defaults, non payment or overdues of statutory dues, proceedings initiated for any economic or civil offences and disciplinary action taken by SEBI or stock exchanges against our Company and our Group Companies. Additionally, the compiled position of claims against our Company involving an amount of less than Rs. 1.00 million has also been appropriately disclosed below.

We believe that there are no small scale undertakings to which a sum exceeding Rs. 100,000 is due for a period of more than 30 days to be paid by us.

For details of the contingent liabilities of our Company, refer to our restated financial statements in the section "Financial Statements" on page 168 of this Red Herring Prospectus.

Cases involving Directors

There are no litigations pending by or against any of the Directors of our Company.

Others

Vishal Satinder Sood's account has been classified as default account by Standard Chartered Bank and as such reflected in the credit information report of Credit Information Bureau (India) Limited. Standard Chartered Bank has alleged that certain dues are outstanding towards charges for availing certain credit card facilities.

Cases involving our Company

Cases filed against our Company

Civil proceedings

1. Copper Chimney Private Limited ("Copper Chimney") has filed a civil suit before the High Court at Bombay against our Company and Concept Hotel Barons Limited ("Concept") in the year 2010. It was submitted before the court that Copper Chimney was using certain premises ("Suit Premises") owned by Concept for its restaurant operations under the terms of an agreement entered into between Copper Chimney and Concept (the "Agreement"). Copper Chimney also submitted that under the terms of the Agreement, it was to use and occupy the Suit Premises for a period of 15 years commencing from February 1, 2002. Copper Chimney has alleged that Concept breached the Agreement by wrongfully and illegally dispossessing Copper Chimney from the Suit Premises. Copper Chimney has also alleged that during the pendency and operation of the Agreement, Concept entered into a leave and license agreement dated June 19, 2008 with our Company in respect of the Suit Premises located at City Point, Boat Club, Pune and that our Company has acted in a premeditated and malafide manner by inducing Concept to commit the breach of the Agreement. Copper Chimney has sought for an order and decree directing Concept and our Company jointly and/or severally to pay to Copper Chimney a sum of Rs. 164.56 million. Our Company has filed its written statement dated July 1, 2011 and has denied the allegations made by Copper Chimney. The matter is currently pending before the High Court at Bombay.

Notices

2. Our Company received a notice from Interex Arch Designs Private Limited ("Interex") dated June 21, 2010. Interex has alleged that payment of approximately Rs. 1.02 million out of an invoice of approximately Rs. 3.26 million is outstanding and that our Company is liable to pay the outstanding amount with interest at 24% p.a. The notice further states that if our Company fails to pay the amount demanded within three weeks from the date of receipt of the notice, Interex will file (a) petition for winding up under section 433 read with section 434 of the Companies Act; and (b) proceedings under various provisions of the Indian Penal Code, 1860, against our Company. Interex has stated that the payment outstanding is in relation to Interex's engagement to carry out certain civil work and interior decoration at Haka restaurant at Vashi, Mumbai. Interex has alleged that despite several reminders the amount payable by our Company is still outstanding. Our Company through its reply dated July 12, 2010 has replied that no certified bills for the amount of Rs. 1.02 million were submitted by Interex and that no further amounts are due to Interex. Our Company has not received any further communication from Interex in this regard.

3. Our Company received a notice dated November 9, 2011 from Jalan Carbons & Chemicals Limited ("Jalan Carbons"), alleging termination of license arrangement and seeking recovery of possession of the leased premises, located in Kolkata. The notice further stated that, in the event our Company fails to vacate the premises, Jalan Carbons will initiate relevant legal proceedings and claim all costs arising thereof. The Company replied to Jalan Carbons by its letter dated November 18, 2011. Subsequently, Jalan Carbons by its letter dated March 19, 2012 has informed the Company that upon failure of our Company to vacate the premises as per letter dated March 19, 2012, they will initiate relevant legal proceedings against our Company and will claim mesne profits calculated at Rs. 25,000 per day till recovery of possession. Our Company has replied to Jalan Carbons by its letter dated April 16, 2012.

Tax related cases

4. Our Company has filed an appeal before the Maharashtra Sales Tax Tribunal in the year 2005 against the order of the Deputy Commissioner of Sales Tax dated May 18, 2005. Our Company had filed an appeal before the Deputy Commissioner of Sales Tax against the assessment order of the assistant commissioner of sales tax where a demand of Rs. 109,627 towards sales tax, interest and penalty was made against our Company for assessment period from April 1, 1999 to March 31, 2000. The said appeal was dismissed on the grounds of non-attendance and non-prosecution. Thus, the present appeal has been filed before the Maharashtra Sales Tax Tribunal. The total amount involved in the matter is Rs. 109,627. The Maharashtra Sales Tax Tribunal pursuant to its order dated August 30, 2011 set aside the order dated May 18, 2005 and remanded the matter to the Deputy Commissioner of Sales Tax for deciding the matter afresh, on its merit, giving an appropriate hearing to our Company.

5. Our Company received an order from the Assistant Commissioner (CT), Valluvarkottam Assessment Circle ("AC"), Chennai dated September 27, 2011 alleging that additional tax is payable by our Company for the assessment year 2006-2007 on the sale of food, non-alcoholic drinks and beverages at our restaurant *Mainland China* (which is attached to a hotel located in Chennai). In this regard, the AC also issued a demand notice dated September 27, 2011 seeking payment of Rs.1.46 million for the year 2006-2007. Our Company has filed an appeal against the AC's order dated September 27, 2011 with the Appellate Deputy Commissioner (CT)-III (Chennai) (the "ADC-CT"). The ADC-CT by its interim order dated December 8, 2011 granted a stay with regard to the collection of disputed amount of Rs. 1.09 million for a period of six months, provided that a payment of 0.25 million and a bank guarantee of Rs. 0.84 million is provided to the ADC-CT. Subsequently, our Company filed a writ petition with the High Court of Madras against the ADC-CT's order. The High Court of Madras by its order dated January 9, 2012 permitted our Company to secure payment of Rs. 0.84 million by way of personal bonds instead of furnishing bank guarantees. The amount involved in the matter is Rs. 1.46 million. The matter is currently pending before the ADC-CT.

6. Our Company received an order from the Assistant Commissioner (CT), Valluvarkottam Assessment Circle ("AC"), Chennai dated September 27, 2011 alleging that additional tax is payable by our Company for the assessment year 2007-08 on the sale of food, non-alcoholic drinks and beverages at our restaurant *Mainland China* (which is attached to a hotel located in Chennai). In this regard, the AC also issued a demand notice dated September 27, 2011 seeking payment of Rs. 6.90 million for the year 2007-2008. Our

Company has filed an appeal against the AC's order dated September 27, 2011 with the Appellate Deputy Commissioner (CT)-III (Chennai) (the "ADC-CT"). The ADC-CT by its interim order dated December 19, 2011 has granted a stay with regard to the collection of disputed amount of Rs. 5.17 million for a period of six months, provided that a payment of Rs.1.20 million and a bank guarantee of Rs. 4.67 million is provided to the ADC-CT. Subsequently, our Company filed a writ petition with the High Court of Madras against the ADC-CT's order. The High Court of Madras by its order dated January 11, 2012 permitted our Company to secure payment of Rs. 4.67 million by way of personal bonds instead of furnishing bank guarantees. The amount involved in the matter is Rs. 6.90 million. The matter is currently pending before the ADC-CT.

7. Our Company received an order from the Assistant Commissioner (CT), Valluvarkottam Assessment Circle ("AC"), Chennai dated September 27, 2011 alleging that the additional tax payable by our Company for the assessment year 2008-09 on the sale of food, non-alcoholic drinks and beverages at our restaurant *Mainland China* (which is attached to a hotel located in Chennai). In this regard, the AC also issued a demand notice dated September 27, 2011 seeking payment of Rs. 8.81 million for the year 2008-2009. Our Company has filed an appeal against the AC's order dated September 27, 2011 with the Appellate Deputy Commissioner (CT)-III (Chennai) (the "ADC-CT"). The ADC-CT by its interim order dated December 19, 2011 has granted a stay with regard to the collection of disputed amount of Rs. 6.60 million for a period of six months, provided that a payment of Rs. 1.5 million and a bank guarantee of Rs. 5.10 million is provided to the ADC-CT. Subsequently, our Company filed a writ petition with the High Court of Madras against the ADC-CT's order. The High Court of Madras by its order dated January 11, 2012 permitted our Company to secure payment of Rs. 5.10 million by way of personal bonds instead of furnishing bank guarantees. The amount involved in the matter is Rs. 8. 81 million. The matter is currently pending before the ADC-CT.

Notices

8. A notice has been received by Sun Tan Trading Company Limited, Diageo India Private Limited, our Company and others from the Directorate of Revenue Intelligence, Mumbai dated March 30, 2011 in relation to, *inter alia*, the bill of entry not reflecting the correct value at which the goods were sold. The notice further alleges that Sun Tan Trading Company Limited and Diageo India Private Limited were importing goods at suppressed values resulting in evasion of custom duty. The notice further alleges that other companies, including our Company, have submitted the bill of entry for house consumption with the same suppressed values leading to violation of the applicable provisions of the Customs Act, 1962 and Foreign Trade (Development and Regulations) Act, 1992. The amount involved in the matter is not ascertainable. The matter is currently pending.

9. 12 notices have been received by our Company from the Department of Trade and Taxes, Government of NCT of Delhi each dated June 27, 2011 alleging that our Company was liable to pay penalty under section 86 of Delhi Value Added Tax Act, 2004, for the default committed in payment of value added tax for the financial year 2009, of an aggregate amount of Rs. 0.16 million. Our Company has filed 12 separate objections before the Department of Trade and Taxes, Government of NCT of Delhi against the above-mentioned 12 notices. The matters are currently pending.

10. Two letters dated January 23, 2012 and February 29, 2012, have been received by our Company from the Income Tax Authorities, in relation to our *Mainland China* restaurants at Gurgaon and Indiranagar, Bengaluru, respectively. The Income Tax Authorities have directed the Company to submit information pertaining to, *inter alia*, 'payments to hotels/ restaurants' billed for an amount exceeding Rs. 0.10 million at any one time in the prescribed format and details of income tax returns filed by the restaurant, if any. Our Company by letters dated February 3, 2012 and March 12, 2012 has furnished its reply to the relevant Income Tax Authorities. Our Company has not received any further communication from the tax authorities in this regard.

11. 11 show cause notices have been received by our Company on February 16, 2012, March 6, 2012 and March 12, 2012 from the Income Tax Officers (TDS), Mumbai, ("IT Officers") in respect of assessment years 2010-2011 and 2011-2012, seeking to show cause why our Company should not be treated as an 'assessee in default' under section 201(1)/(1A) of the Income Tax Act, 1961, for failure to deduct 'tax at source' on the credit card commission/ discount paid to (i) HDFC Bank Limited by certain of our

restaurants for the financial year 2011 and (ii) Bank of Baroda by two of our restaurants for the financial year 2010 and financial year 2011. The notices also require our Company to provide information in relation to the total commission paid to HDFC Bank Limited and Bank of Baroda for credit card transactions during financial years 2009, 2010 and 2011, tax deduction, collection account numbers and TDS statements filed. Our Company submitted its replies to the show cause notices with the IT Officers. Subsequently, one of the IT Officers by his orders dated March 27, 2012 has held that our Company is an 'assessee in default' under Section 201 (1) and 201 (1A) of the Income Tax Act, 1961 for failure to deduct 'tax at source' on payments on credit card commissions and discounts paid to HDFC Bank. In this regard, our Company has also received two demand notices for payment of Rs. 1.32 million and Rs. 1.55 million for the financial years 2010 and 2011, respectively. On May 2, 2012, our Company has filed its appeals before the Commissioner of Income Tax (Appeals) against the demand notices dated March 27, 2012. The matter is currently pending before the Commssioner of Income Tax (Appeals).

12. Our Company has received a letter dated February 15, 2012 from the Office of Assistant Commissioner of Service Tax, Division IV, Mumbai (the "Assistant Commissioner"). Our Company was required to submit, (a) a copy of leave and license agreement entered into with Aditya Pancholi for premises located in Mumbai ("Agreement") and (b) details of payments made under the Agreement, with the Assistant Commissioner. Our Company by its letter dated February 29, 2012 submitted its reply to the Assistant Commissioner. Subsequently, on March 12, 2012 our Company received a letter from the Assistant Commissioner seeking further clarifications in relation to the Agreement and alleging certain inconsistencies in information submitted by our Company regarding payments made under the Agreement. Pursuant to summons issued by the Assistant Commissioner by letter dated March 19, 2012, an authorized representative of our Company appeared before the Assistant Commissioner on March 26, 2012. Subsequently, our Company received a letter from the Assistant Commissioner seeking clarifications in relation to the amount deducted by our Company on account of service tax from payments made under the Agreement. Our Company by its letter dated April 14, 2012 submitted its reply to the Assistant Commissioner. The matter is currently pending before the Assistant Commissioner.

13. Our Company has received a letter dated April 11, 2012 from the Office of the Commissioner of Service Tax, Division II, Mumbai (the "Commissioner"), in relation to our *Mainland China* restaurant located at Andheri (West), Mumbai. Our Company has been directed to submit (a) details of service registration and service tax division, (b) details of service tax paid montly from May 1, 2011 and (c) details of service tax return (ST-3) for half year ending September, 2011, as applicable. Our Company by its letter dated April 30, 2012 submitted its reply to the Commissioner. Our Company has not received any further communication from the Commissioner in this regard.

Intellectual property related cases

14. Amar Estates Private Limited, Hotel Kamal Private Limited, Ravi Kumar Ohri and Amar Ohri (the "Plaintiffs") have filed a suit before the Second Additional Chief Judge, City Civil Court, Hyderabad against our Company and others (the "Defendants") in the year 2008. The Plaintiffs submitted that the Defendants (other than our Company) were involved in establishing the restaurants '*Gufaa*' and '*Serengeti*' with certain artistic works, artefacts and engravings for the Plaintiffs. The Plaintiffs have alleged that our Company, acting in collusion with the other defendants, have copied artistic works, artefacts and engravings similar to those in the Plaintiff's restaurants in our Company's restaurant '*Machaan*' and have thereby infringed Plaintiff's copyright on such works. The Plaintiffs have sought, *inter alia*, for a decree declaring that the Plaintiffs are the exclusive rightful original owners and authors of the said artistic works, artefacts and engravings and a permanent injunction restraining the Defendants their agents, servants, nominees, transferees from in any way copying or otherwise acting in infringement of the copyright vested with the Plaintiffs in respect of the said artistic works, artefacts and engravings. Pending the disposal of the suit, the Plaintiffs were granted an interim injunction against the Defendants restraining them and their agents from copying or otherwise acting in infringement of the copyright vested in the Plaintiff, by the Second Additional Chief Judge, City Civil Court, Hyderabad. In order to vacate the said injunction, our Company, filed an interlocutory application before the Second Additional Judge, City Civil Court, Hyderabad where the said court allowed the appeal and ordered that the said interlocutory application for granting of interim injunction to be heard on merits and decided. The Plaintiffs appealed to the High Court

which rejected the appeal and directed the Second Additional Chief Judge, City Civil Court, Hyderabad to decide the interlocutory application on merits according to law. The amount involved in the matter is Rs. 1.60 million. The matter is currently pending before the Second Additional Chief Judge, City Civil Court, Hyderabad.

Notices

15. Six notices have been received by our Company in the year 2011 from various parties alleging violation of the Copyright Act, 1957 alleging use of certain cinematographic content, musical compositions and sound recordings and receiving and transmitting signals of certain satellite channels, at certain of our restaurants located in Mumbai, without obtaining a valid license. Our Company through its various replies dated February 10, 2011 has denied the allegations made in the various notices received.

Consumer cases

16. Two consumer cases are pending against our Company, one of which is a complaint pending before the State Consumer Dispute Redressal Forum, Chennai. The allegations in the complaints *inter alia* pertain to charge of certain excess amounts due to certain taxes being invoiced twice and theft of car from valet parking area of one of our restaurants. The aggregate amount involved in the matters is Rs. 2.00 million. The matters are currently pending.

Cases filed by our Company

Civil proceedings

17. Our Company has filed an execution petition before the Court of Small Causes Judge, Bengaluru, against M. Nithyanandan ("Judgment Debtor") for recovery of an amount of Rs. 53,000 along with interest of 10% p.a. from April 1, 2009 till realization. Our Company had filed a suit before the Additional Judge, Court of Small Causes, Bengaluru against the Judgment Debtor for recovering the amount deposited as 'security deposit' in relation to the premise rented by the Judgment Debtor to our Company. The Additional Judge, Court of Small Causes, Bengaluru pursuant to his order dated May 24, 2010 passed an order in favour of our Company. The matter is currently pending.

Tax related cases

18. Our Company and another (the "Petitioners"), in the year 2010, filed a writ petition before the High Court at Calcutta against the Union of India and others challenging the constitutional validity of section 65 (90a), section 66 and section 65 (105) (zzzz) of the Finance Act, 1994 as amended by the Finance Act 2007, Finance Act 2008 and Finance Act 2010 which seeks to impose a service tax on renting of immovable property, whether by license or by lease, by considering the same to be a purported service. Further, our Company has challenged section 76 of the Finance Act of 2010 that seeks to impose such service tax with retrospective effect from June 1, 2007 and for recovering the entire tax amounts along with fine, interest and penalty, if any payable for such period. The High Court at Calcutta passed an interim order dated May 17, 2011 grating stay on recovery of service tax from the Petitioners in respect of renting of immovable property alone which are situated within the territorial jurisdiction of High Court at Calcutta, pending disposal of the writ petition. The matter is currently pending before the High Court at Calcutta. Additionally, Retailers Association of India, "RAI", of which our Company is a member, filed a writ petition before the High Court at Bombay against Union of India and others challenging the constitutional validity of levying of service tax on renting of immovable property. The High Court at Bombay passed an interim order dated July 30, 2008 granting stay on recovery of service tax from members of RAI in respect of renting of immovable property, pending disposal of the writ petition. Further, the Union of India had filed a transfer petition before the Supreme Court of India for transfer of this matter to the Supreme Court of India. The Supreme Court of India pursuant to its interim order dated October 14, 2011 (the "Order") directed the members of RAI to inter alia deposit 50% of the arrears service tax with the concerned department within six months in three equated instalments and furnish a solvent surety to the jurisdictional commissioner for the balance 50%. Our Company has deposited the requisite instalments and also furnished the solvent surety to the jurisdictional commissioner in relation to the balance 50% of the arrears

service tax payable. Subsequently, our Company received a notice dated March 14, 2012 from the Assistant Commissioner of Service Tax, Mumbai alleging that our Company has not complied with the Order. Our Company has also been directed to provide details of the payments (if any) deposited by our Company within the time specified in the notice. Our Company through its reply dated March 23, 2012 has intimated the authorities of the payments deposited by the Company and has also furnished acknlowleged receipts in relation to the same. The matter is currently pending before the Supreme Court of India.

Cases involving Group Companies

There are no litigations pending by or against any of the Group Companies.

GOVERNMENT AND OTHER APPROVALS

Based on the approvals listed below, our Company can undertake this Issue and its current business activities. Other than disclosed below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue Company's business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

I. Approvals in relation to the Issue

Corporate Approvals

- Our Board of Directors have, pursuant to resolutions dated March 2, 2011 and March 14, 2012 authorised the Issue, subject to the approval of our shareholders under Section 81(1A) of the Companies Act.

- Our shareholders have, pursuant to the resolutions dated March 2, 2011 and March 14, 2012 under Section 81(1A) of the Companies Act, authorised the Issue**.**

In- principle approvals from BSE and NSE

We have received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated March 31, 2011 and April 25, 2011 respectively. NSE is the Designated Stock Exchange.

II. Approvals for conducting our business in India

We require various approvals and/ or licenses under various rules and regulations to operate our restaurant business in India. These approvals and/or licenses differ on the basis of the location of the restaurant as well as the nature of activities specific to each of the restaurants. Further, for all of our company owned and operated restaurants, we have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate a restaurant.

Some of the material valid approvals required by us to operate our restaurant business include the following:

Employee related Laws

1. Certificate from Provident Fund Inspector and Regional Provident Fund Commissioner under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the scheme framed there-under for allotment of provident fund number; and

2. Registration from Employee State Insurance Corporation under the Employees State Insurance Act, 1948 for registration of employees, factories and establishments.

Environmental Regulations

1. Consents from the State Pollution Control Board to operate under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981.

Excise Laws

1. License for sale at a hotel of imported foreign liquors (potable) and Indian made foreign liquors (potable) on which excise duty has been paid at special rates, in accordance with the relevant state prohibition acts and the rules there-under; and

2. Certificate of Import-Export Code (no. 0201013231) from the Ministry of Commerce, Government of India.

3. Registration certificate (no. AAECS6802MST001) from Central Board of Excise and Customs, Department of Revenue, Ministry of Finance for various taxable services.

Fire and Emergency Service Laws

1. Fire license issued by the Directorate of Fire and Emergency Services under the Fire Force Act, applicable in the states where the restaurants of our Company are situated.

Municipality Laws

1. License from the 'Health Department', of the relevant local municipalities for operating a permit room; and

2. License from the 'Health Department', of the relevant local municipalities for operating as a Grade-I Eating House.

Public Performance Laws

1. Certificate from the Indian Performing Right Society Limited for 'Certificate of Musical Works' to conduct live music shows within premises of the restaurants of our Company; and

2. Public Performance License from Phonographic Performance Limited.

Police Laws

1. License granted by the Commissioner of Police, in accordance with the authority granted to relevant police department under the State Police Act, 1951 to keep a 'Place of Public Entertainment, Class A'; and

2. License to have and keep a restaurant or an open bar, as applicable, granted by the Commissioner of Police.

Prevention of Food Adulteration Laws

1. License under the Prevention of Food Adulteration Act, 1954 and the Prevention of Food Adulteration Rules, 1955 issued by the relevant State authorities.

2. License under the Food Safety and Standards Act, 2006, the Food Safety and Standards Rules, 2011 and the regulations framed there-under.

Standards of Weights and Measures Legislation

1. Certificate, issued by District Inspector, under the provisions of the Standards of Weights and Measures (Enforcement) Act, 1985 and the rules made there-under.

Shops and Establishments Legislations

1. Registration Certificate of Establishment under the Shops and Establishment Act, 1948 as issued by the Corporation of the cities where the restaurants of our Company are located; and

2. Registration Certificate of Establishment as an 'Eating House IV' under the Shops and Establishment Act, 1948 as issued by the relevant city Corporations.

Tax Laws

1. Registration certificate from the Commercial Taxes Department of the respective state under the Value Added Tax Act of the relevant State;

2. Registration certificate from the Office of the Assistant Commissioner of Taxes under the Entry Tax Act of the relevant State for bringing material into the respective state;

3. Registration certificate from the Sales Tax Department of the respective state under the Central Sales Tax Act, 1956 to register as a dealer;

4. Permission from the Office of the Assistant Commissioner of Central Excise under the centralized service tax for providing services under different categories;

5. PAN (Permanent Account Number) as issued under the Income Tax Act; and

6. TAN (Tax Identification Number) as issued under the Income Tax Act.

Intellectual Property Related Approvals

All the brand names currently being used by our Company in relation to its business operations and the status of registration of trademarks of the Brand Names in India is set forth in table below:,

Brand Name	Class	Nature of Trademark	Applicant	Application Number	Date of Application	Date of Grant	Expiry Date
Registered Trademarks							
Mainland China	42	Logo	Company	1257031	December 23, 2003	September 1, 2005	December 23, 2013
Mainland China	3	Logo	Company	1524661	January 25, 2007	October 8, 2008	January 25, 2017
Sigree	42	Word	Company	1497330	October 18, 2006	March 28, 2008	October 18, 2016
Sigree	3	Logo	Company	1523199	January 22, 2007	March 28, 2008	January 22, 2017
Flame and Grill	42	Word	Company	1660800	March 4, 2008	March 31, 2009	March 4, 2018
Haka	42	Word	Company	1495974	October 12, 2006	March 31, 2009	October 12, 2016
Haka	3	Logo	Company	1523198	January 22, 2007	December 29, 2008	January 22, 2017
Just Biryani	3	Logo	Company	1523196	January 22, 2007	March 28, 2008	January 22, 2017
KIBBEH	43	Logo	Company	1939076	March 22, 2010	April 12, 2011	March 22, 2020
Pending Application for Registration of Trade Marks							
Mainland China	30	Logo	Company	1950257	April 15, 2010	N.A.	N.A.
Oh! Calcutta	42	Logo	Company	1950259	April 15, 2010	N.A.	N.A.
Oh! Calcutta	3	Logo	Company	1523197	January 22, 2007	N.A.	N.A.
Just Biryani	42	Logo	Company	1950258	April 15, 2010	N.A.	N.A.
Kix - The Mood Bar	42	Logo	Company	1939077	March 22, 2010	N.A.	N.A.
Machaan	42	Logo	Company	1542077	March 21, 2007	N.A.	N.A.
Shack Lounge Bar	42	Logo	Company	1950260	April 15, 2010	N.A.	N.A.
Sweet	30	Logo	Company	1950256	April 15,	N.A.	N.A.

Brand Name	Class	Nature of Trademark	Applicant	Application Number	Date of Application	Date of Grant	Expiry Date
Bengal					2010		
Sweet Bengal	29	Logo	Company	1950255	April 15, 2010	N.A.	N.A.
Sweet Bengal	3	Logo	Company	1523195	January 22, 2007	N.A.	N.A.

Also see section "Our Business – Restaurants" on page 119 of this Red Herring Prospectus for details in relation to Company's existing restaurant and confectionaries (by brand) as of February 29, 2012.

Pending Applications and Applications yet to be submitted before Relevant Regulatory Authorities (top 10 restaurants (on the basis of sales for Fiscal Year 2011))

Certain approvals may have elapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. We undertake to obtain all approvals, licenses, registrations and permissions required to operate our business.

In relation to our top 10 restaurants (on the basis of sales for Fiscal Year 2011), the following applications are pending before the relevant local authorities:

S. No.	Details of Applications Pending	Details of Regulatory Authority
***Mainland China*, Andheri (West), Mumbai**		
1.	Application for renewal of 'public place entertainment licence'	Assistant Commissioner of Police, D. N. Nagar Division, Andheri (West), Mumbai
***Mainland China*, Church Street, Bengaluru**		
2.	Application for renewal of 'hoarding permission'	Office of the Commissioner, Advertising Section, Bruhat Bengaluru Mahanagara Palike, Bengaluru
3.	Application for renewal of 'food licence'	Chief Health Officer, Local (Health) Authority, Bangalore Mahanagara Palike, Bangalore
***Mainland China*, Gurusaday Road, Kolkata**		
4.	Application for renewal of 'police license/police certificate'	Commissioner of Police, Kolkata
5.	Application for renewal of 'excise license'	Collector of Excise (South), Department of Excise, Kolkata
6.	Application for renewal of 'fire license'	Special Officer and Deputy Secretary, Local Government and Urban Development Department, Government of West Bengal
***Mainland China*, ICC Mall, Pune**		
7.	Application for renewal of 'excise licence'	Superintendent of State Excise, Pune
***Mainland China*, South City, Kolkata**		
8.	Application for renewal of 'excise license'	Collector of Excise, Department of Excise, Government of West Bengal
***Mainland China*, Indiranagar, Bengaluru**		
9.	Application for renewal of 'food licence'	Chief Health Officer, Local

S. No.	Details of Applications Pending	Details of Regulatory Authority
		(Health) Authority, Bangalore Mahanagara Palike, Bangalore

In relation to our top 10 restaurants (on the basis of sales for Fiscal Year 2011), applications are yet to be submitted, before relevant regulatory authorities, for renewal of the following licenses:

S. No.	Details of licenses	Details of Regulatory Authority
***Mainland China*, Gurusaday Road, Kolkata**		
1.	Trade licence	Kolkata Municipal Corporation
2.	Indian Performing Rights Society licence	The Indian Performing Right Society Limited, Mumbai
3.	Amusement licence	Municipal Commissioner, Kolkat Municipal Corporation
4.	Public Performance licence	Phonographic Performance Limited
***Mainland China*, South City, Kolkata**		
5.	Indian Performing Rights Society licence	The Indian Performing Right Society Limited, Mumbai
6.	Amusement licence	Municipal Commissioner, Kolkata Municipal Corporation
7.	Public Performance licence	Phonographic Performance Limited

III. Approvals and Registrations Outside India

Our Company has received registration for trademarks and has also applied for registration of trademarks in relation to certain brand names in jurisdictions outside India, including Bangladesh, European Union, Singapore, United Arab Emirates and United States of America.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by resolutions of our Board of Directors passed at their meetings held on March 2, 2011 and March 14, 2012, subject to the approval of shareholders of our Company pursuant to Section 81 (1A) of the Companies Act.

The shareholders of our Company have authorised the Issue by special resolutions passed pursuant to Section 81(1A) of the Companies Act, passed at the EGMs of our Company held on March 2, 2011 and March 14, 2012 at Mumbai.

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated March 31, 2011 and April 25, 2011 respectively.

Prohibition by SEBI, RBI or Other Governmental Authorities

Our Company, our Promoters, our Directors and our Promoter Group, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, Directors or persons in control of our Company are associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as stated below, none of our Directors are in any manner associated with the securities market. Except as stated below, there has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

Susim Mukul Datta is a director of IL&FS Investment Managers Limited (SEBI Registration Number INP000003237) and Tata Trustee Company Limited. Further, Tara Sankar Bhattacharya is a director of IDFC Securities Limited ("IDFC") which is registered with SEBI under SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 (SEBI Registration Numbers INB011291433; INF011291433; INE011291433; INB231291437; INF231291437; INE231291437; INE261291433) for carrying out its activities as a trading and clearing member of stock exchanges and commodities exchanges in respect of segments such as capital markets, equity and currency derivates. SEBI vide its letter dated August 4, 2004 had issued a notice to IDFC alleging certain cross deals and reverse trades by IDFC's clients. IDFC replied to same by its letter dated September 7, 2004. SEBI in its enquiry report dated May 30, 2005 concluded that that IDFC has not committed violations as alleged in the show cause notice and no penalty was recommended in the same. Subsequently, SEBI vide its letter dated June 17, 2009 called upon IDFC to show cause as to why higher penalty should not be imposed against them in relation to the same matter. IDFC replied to the show cause notice through letter dated July 13, 2009. No further communication has been received from SEBI in this regard. Tara Sankar Bhattacharya is also a director of IDFC AMC Trustee Company Limited.

Prohibition by RBI

Neither our Company, our Promoters or the relatives (as defined under the Companies Act) of our Promoters have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as set out under the eligibility criteria calculated in accordance with restated audited financial statements:

Our Company's distributable profits, net worth, net tangible assets and monetary assets derived from the restated audited financial statements included in this Red Herring Prospectus as at, and for the last five years ended Fiscal Year 2007, 2008, 2009, 2010 and 2011 are set forth below:

(*In Rs. million*)

Particulars	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Distributable Profits(1)	155.83	112.59	63.17	44.26	31.70
Net Worth(2)	974.53	708.70	556.11	492.94	93.28
Net Tangible assets(3)	967.26	700.97	546.50	489.15	92.07
Monetary assets(4)	47.81	38.32	9.01	17.02	9.63
Monetary assets as a percentage of the net tangible assets (%)	4.94%	5.47%	1.65%	3.48%	10.46%

(1) *Distributable profits' have been defined in terms of Section 205 of the Companies Act.*

(2) *'Net Worth' has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve and miscellaneous expenditures, if any.*

(3) *'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.*

(4) *Monetary Assets comprise of cash and bank balances and public deposit accounts with the Government.*

Further, we shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, our Company's refund shall include interest on the application money at the rate of 15% per annum for the period of delay.

In terms of Rule 19(2)(b)(i) of the SCRR, this is an issue for 25% of the post-Issue paid-up equity share capital. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Caution

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY

ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 11, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS (IN CASE OF A BOOK BUILT ISSUE) / DRAFT PROSPECTUS (IN CASE OF A FIXED PRICE ISSUE) / LETTER OF OFFER (IN CASE OF A RIGHTS ISSUE) PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

    (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

    (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOTED FOR COMPLIANCE.</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE**

DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.**

    AS THE ISSUE SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

    (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHILE MAKING THE ISSUE.

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The price information of past issues handled by Book Running Lead Manager to the Issue is as follows:

1. Price information of past issues handled by Book Running Lead Manager to the Issue

Sr. No.	Issue Name	Issue size (Rs. million)	Issue price (Rs.)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30	5,521.05
2	Muthoot Finance Limited	9,012.50	175.00	May 6, 2011	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	177.90	5,516.75
3	Coal India Limited[1]	151,994.40	245.00	November 4, 2010	291.00	342.55	39.82%	6,281.80	320.15	6,071.65	310.80	5,865.75	321.95	5,992.80
4	Prestige Estates Projects Limited	12,000.00	183.00	October 27, 2010	190.00	193.15	5.55%	6,012.65	205.85	6,312.45	187.85	5,988.70	160.15	5,751.95
5	Oberoi Realty Limited	10,286.12	260.00	October 20, 2010	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.15	6,301.55	262.35	5,890.30
6	Tecpro Systems Limited[2]	2,676.85	355.00	October 12, 2010	380.00	405.70	14.28%	6,090.90	393.75	6,066.05	424.55	6,117.55	410.95	6,194.25
7	Eros International Media Limited	3,500.00	175.00	October 6, 2010	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	184.00	6,082.00	193.05	6,312.45
8	Gujarat Pipavav Port Limited	5,538.54	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.00	5,884.95	61.00	5,991.30	59.35	6,103.45
9	Bajaj Corp Limited	2,970.00	660.00	August 18, 2010	760.00	758.75	14.96%	5,479.15	730.45	5,408.70	730.15	5,604.00	724.65	5,884.95
10	SKS Microfinance Limited[3]	16,287.83	985.00	August 16, 2010	1,040.00	1,088.65	10.52%	5,418.30	1,161.40	5,477.90	1,289.55	5,479.40	1,404.85	5,860.95

Source: www.nseindia.com

[1] *In Coal India Limited, the issue price after discount to the retail individual bidders and the eligible employees was Rs. 232.75 per equity share.*

[2] *In Tecpro Systems Limited, the issue price after discount to the eligible employees was Rs. 338 per equity share.*

[3] *In SKS Microfinance Limited, the issue price after discount to the retail individual bidders was Rs. 935 per equity share*

Notes: a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;

b. S&P CNX Nifty has been considered as the benchmark index.

2. Summary statement of price information of past issues handled by Book Running Lead Manager to the Issue

Fiscal Year	Total No. of IPOs	Total Funds Raised (Rs. million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2012 – May 4, 2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	2	16,512. 50	-	-	1	-	-	1	-	-	1	-	-	1
2011	11	234,579.83	-	-	2	-	1	8	-	1	2	-	3	5

Source: www.nseindia.com

Note*:* In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Track record of past issues handled by BRLM

For details regarding the track record of the BRLM to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLMs at http://investmentbank.kotak.com/offer-documents/TRPI.html.

Disclaimer from our Company and the BRLM

Our Company, our Directors and the BRLM accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website www.speciality.co.in, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the agreement entered into among the BRLM and our Company on March 11, 2011 and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLM and its respective associates and affiliates may engage in transactions with, and perform services for, our Company and the affiliates or associates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and the affiliates or associates, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, Eligible NRIs, Eligible QFIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act of 1933 as amended (the "Securities Act") or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

BSE Limited ("the Exchange") has given vide its letter dated March 31, 2011, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

(iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this offer document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/163893-9 dated April 25, 2011 permission to the Issuer to use NSE's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. NSE has scrutinised this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way to be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with RoC at the Office of the Registrar of Companies, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4 A.J.C.B. Road, Kolkata 700 020.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company, who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest, at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, Company Secretary and Compliance Officer of our Company, the Auditors, the legal advisors, the Bankers to our Company; and (b) the BRLM, the Syndicate Member, the Banker to the Issue and the Escrow Collection Bank(s) and the Registrar to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors, have given their written consent to the inclusion of statement of the tax benefits dated March 26, 2012 available to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of submission of this Red Herring Prospectus with the RoC.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors, have given their written consent to the inclusion of their report dated March 29, 2012 in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of submission of this Red Herring Prospectus with the RoC.

Expert to the Issue

Except for the report of CRISIL in respect of the IPO Grading of the Issue (a copy of which is annexed to this Red Herring Prospectus), furnishing the rationale for its grading and the Auditors Report on the restated audited financial statements and the statement of tax benefits on page 168 and 94 of this Red Herring Prospectus, respectively, our Company has not obtained any expert opinions.

Deloitte Haskins & Sells, Chartered Accountants, statutory auditors, have given their consent as experts under Section 58 of the Companies Act, to the inclusion of the Auditors' Report and statement of tax benefits in the form and in the context it appears in this Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of this Red Herring Prospectus with the RoC.

CRISIL, the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and in the context it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, see the section "Objects of the Issue" on page 80 of this Red Herring Prospectus.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter, Issue Agreement and the Syndicate Agreement, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement signed among our Company and Registrar to the Issue, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund in any of the modes described in this Red Herring Prospectus or Allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" on page 70 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed associates of our Company

None of the associates of our Company are listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or associates of our Company

Our Company has not undertaken any previous public or rights issue.

Outstanding Debentures or Bonds or Preference Shares

Our Company does not have any outstanding debentures or bonds or preference shares as of the date of filing this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted the Shareholders/Investors Grievance and Share Transfer Committee on March 2, 2011. The members of the Shareholders/Investors Grievance and Share Transfer Committee are:

1. Susim Mukul Datta, *chairman*;
2. Anjan Chatterjee; and
3. Indranil Ananda Chatterjee.

Our Company has appointed V. S. Satyamoorthy, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Speciality Restaurants Limited
B/25, 4th Floor
Morya Landmark I
Veera Industrial Estate
Off New Link Road
Andheri (West)
Mumbai 400 053
Tel: (91 22) 3341 6700
Fax: (91 22) 3341 6878
Email: investor@speciality.co.in

Changes in Auditors

The changes in auditors of our Company in the last three years are set forth below:

Date	Name of Auditor	Reason for Change
September 10, 2009	B.R. Mittal and Co.	Resigned as statutory auditors
September 10, 2009	Deloitte Haskins & Sells	Appointment as statutory auditors

Capitalisation of Reserves or Profits

Except as disclosed in the section "Capital Structure" on page 70 of this Red Herring Prospectus, our Company has not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the SCRR, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" on page 313 of this Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act, the Articles of Association and the provisions of the Listing Agreement executed with the Stock Exchanges.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms, as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Agreement executed with the Stock Exchanges and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section "Main Provisions of the Articles of Association" on page 313 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the BRLM and advertised in all editions of English national daily Business Standard, all editions of Hindi national daily Jansatta and Kolkata edition of Bengali language newspaper AajKaal, at least two working days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of our Company or to the Registrar and Transfer Agent of our Company.

Further, any person who becomes a nominee shall, upon the production of such evidence as may be required by our Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement of Underwriters within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

Further, we shall ensure that the number of prospective Allottees to whom Equity Shares will be Allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares, our Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" on page 70 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, see the section "Main Provisions of the Articles of Association" on page 313 of this Red Herring Prospectus.

ISSUE STRUCTURE

Public Issue of 11,739,415 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue will constitute 25% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares(2)	Not more than 5,869,707 Equity Shares	Not less than 1,760,912 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 4,108,796 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	Not more than 50% of the Issue size being available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion, if any) will be available for allocation proportionately to Mutual Funds only	Not less than 15% of Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate as follows: (a) 205,440 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 5,664,267 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed Rs. 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share

	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
			thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, VCFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million, in accordance with applicable law, National Investment Fund set up by Government of India, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and Eligible QFIs.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form (including for Anchor Investors).[3] [4]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[3]	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.[3]

(1) *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section "Issue Procedure" on page 281 of this Red Herring Prospectus.*

(2) *Subject to valid Bids being received at or above the Issue Price, this Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein not more than 50% of the Issue will be available for allocation on a proportionate basis to QIBs. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 205,440 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.*

(3) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount will be payable as per pay-in date mentioned in the revised Anchor Investor Allocation Notice.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be met with spill-over from other categories or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares shall be in compliance with the applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**May 16, 2012**(1)
BID/ISSUE CLOSES ON	**May 18, 2012**

(1) *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.*

An indicative timetable in respect of this Issue is set out below:

Event	Indicative Date
Bid/ Issue Closing Date	May 18, 2012
Finalization of basis of allotment with Stock Exchanges	On or about May 28, 2012
Initiation of refunds	On or about May 30, 2012
Credit of Equity Shares to investors' demat accounts	On or about May 31, 2012
Commencement of trading	On or about June 1, 2012

The above timetable is indicative and does not constitute any obligation on the Company or the BRLM. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by the Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable law.

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres and Designated Branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges. It is clarified that the Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business

Days. Neither our Company nor the BRLM or the Syndicate Member is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders must participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue, and submit their Bids either through submitting a Bid cum Application Form to the Syndicate Member or through submitting a Bid cum Application Form to a SCSB or a Syndicate Member (in Specified Cities only). ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to the Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for 25% of the post-Issue capital of our Company. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company, in consultation with the BRLM, may consider the participation of Anchor Investors in accordance with the SEBI Regulations.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate Member only. ASBA Bidders are required to submit their Bids, either through the SCSBs or through the Syndicate Member (in Specified Cities).

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and beneficiary account number, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis(1)	White
Eligible NRIs, Eligible QFIs, FIIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis(1)	Blue
Anchor Investors (2)	White

(1) *Bid cum Application Forms and the abridged prospectus will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to Bid/Issue Opening Date.*

(2) *Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLM.*

All Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate Member only. ASBA Bidders are required to submit their Bids, only through the SCSBs, authorising blocking of funds that are available in the bank account specified in the Bid cum Application Form, except for the ASBA Bids submitted in the Specified Cities. In the case of Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate Member. Bidders other than ASBA Bidders shall only use the Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate Member will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to the Syndicate Member or the SCSB, the Bidder is deemed to have authorised our Company to make necessary changes in this Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Who can Bid?

- Indian nationals resident in India, who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three). Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;

- VCFs registered with SEBI;

- FVCIs registered with SEBI;

- Eligible QFIs;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund; Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLM and the Syndicate Member

The BRLM and the Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Member may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The BRLM and any persons related to the BRLM or our Promoters and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 205,440 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds on a discretionary basis, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be

treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("NRO") accounts.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post-Issue paid-up share capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital. With the approval of our Board and our shareholders by way of a special resolution and with the prior approval of the RBI, the aggregate FII holding can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters including the BRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depositary participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. A FVCI can invest its entire funds committed for investment into India in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription in an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000. Where the Bid Amount is over Rs. 200,000, non-QIB Bidders must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over Rs. 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids only through the ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and in multiples of [●] Equity Shares thereafter. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Anchor Investors are not allowed to submit their Bid through the ASBA process. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised Anchor Investor Allocation Notice. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

(a) Our Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Bengali newspaper with wide circulation. Such advertisement shall be in the prescribed format.

(b) Our Company has filed this Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of this Red Herring Prospectus will be available with the Syndicate Member. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, the Syndicate Member (in the Specified Cities) and at the Registered Office of our Company. For ASBA Bidders, electronic Bid cum Application Forms will also be available on the websites of NSE and BSE.

(d) Any eligible Bidder who would like to obtain this Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office of our Company.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach the BRLM or the Syndicate Member or their authorised agent(s) to register their Bids. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate Member (only in Specified Cities) to register their Bids.

(f) QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to (i) submit the Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate in the Specified Cities.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms submitted to the members of the Syndicate should bear the stamp of the members of the Syndicate, otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the member of the Syndicate in the Specified Cities; if not, the same are liable to be rejected.

(h) The Bid cum Application Form can be submitted (i) in physical mode, to a member of the Syndicate in the Specified Cities; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. Bid cum Application Form in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the members of the Syndicate. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(i) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities. ASBA Bidders should also ensure that Bid cum Application Forms submitted to the members of the Syndicate in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Form from ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1336019046318.html). ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(j) For ASBA Bids submitted to the members of the Syndicate in the Specified Cities, the members of the Syndicate shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB, at the relevant Specified City, named by such SCSB to accept such Bid cum Application Forms from the members of the Syndicate (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1336019046318.html). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.

(k) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of Bid in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding persons resident in the state of Sikkim, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

The applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected and our Company, SCSBs and members of the Syndicate shall not be liable for losses, if any.

Method and Process of Bidding

(a) Our Company, in consultation with the BRLM, will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Bengali newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period may be extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Bengali newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of this Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should either approach the Designated Branches of the SCSBs to register their Bids or the Syndicate (for Bids to be submitted in the Specified Cities).

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSB will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism, terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" on page 281 of this Red Herring Prospectus.

(i) Upon receipt of the Bid cum Application Form from the ASBA Bidder, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the BRLM, will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the BRLM, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, see "- Payment Instructions" in this section.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Member and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Member and the SCSBs, (ii) the Bids uploaded by the Syndicate Member and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Member and the SCSBs or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a member of the Syndicate, the designated branch(s) of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.

(d) Neither the BRLM nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by a member of the Syndicate or the SCSBs, (ii) the Bids uploaded by a member of the Syndicate or the SCSBs or (iii) the Bids accepted but not uploaded by a member of the Syndicate or the SCSBs.

(e) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Member and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(f) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges will be made available at the bidding centres during the Bid/Issue Period.

(g) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Bid cum Application Form number;
- PAN (of the sole/first bidder);
- Investor Category;
- DP ID and client identification number of the beneficiary account of the Bidder;
- Numbers of Equity Shares Bid for; and
- Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Bid cum Application Form Number;
- PAN (of the sole/first bidder);
- Investor Category;
- DP ID and client identification number of the beneficiary account of the Bidders;
- Numbers of Equity Shares Bid for;
- Price per Equity Share;
- Bid Amount; and
- Bank account number.

With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the on-line system:

- Bid cum Application Form Number;
- PAN (of the sole/first Bidder);
- Investor category and sub-category;
- DP ID;
- Client ID;
- Number of Equity Shares Bid for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of Specified City.

(h) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/ Allotted either by the Syndicate or our Company.

(i) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(j) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLM and its affiliate Syndicate Member (only in Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(k) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(l) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Beneficiary Account Number and PAN, then such bids are liable to be rejected.

(m) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(n) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM at the end of the Bid/Issue Period.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked by the SCSBs.

(h) Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the Syndicate will revise the earlier Bid's details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus.

(j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS, and request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company, in consultation the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.

(b) Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and in consultation with the BRLM and the Designated Stock Exchange.

(c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) Allocation to Anchor Investors shall be at the discretion of our Company, in consultation with the BRLM, subject to compliance with the SEBI Regulations.

(e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.

(f) The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Bengali language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

(d) The Issuance of CAN is subject to - "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, in consultation with the BRLM, selected Anchor Investors will be sent an Anchor Investor Allocation Notice and if required, a revised Anchor Investor Allocation Notice. All Anchor Investors will be sent Anchor Investor Allocation Notice post Anchor Investor Bid/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Anchor Investor Allocation Notice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Anchor Investor Allocation Notice within the pay-in date referred to in the revised Anchor Investor Allocation Notice. The revised Anchor Investor Allocation Notice will constitute a valid, binding and irrevocable contract (subject to the issue of CAN) for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and accordingly the CAN will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Anchor Investors who have been Allotted Equity Shares will directly receive CAN. The CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder's depository account is completed within two working days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about the PAN, the Depository Participant and the beneficiary account are correct and the Bidder's depository account is active as Allotment of Equity Shares will be in dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted either to the Syndicate (only in Specified Cities) or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account;

(f) With respect to Bids by ASBA Bidders, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

(g) QIBs (other than Anchor Investors) and Non-Institutional Bidders should submit their Bids through the ASBA process only;

(h) Ensure that you request for and receive a TRS for all your Bid options;

(i) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of the SCSB or a member of the Syndicate (located in Specified Cities), as the case may be;

(j) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate;

(k) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted either through the SCSBs or a member of the Syndicate (only in Specified Cities);

(l) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(m) Submit revised Bids to the same member of the Syndicate/ SCSB through which the original Bid was placed and obtain a revised TRS;

(n) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and residents of Sikkim, for whom submissions of PAN is not mandatory, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in case of residents of Sikkim, the address as per the demographic details evidencing the same;

(o) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(p) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form;

(q) Ensure that the DP ID, the beneficiary account number and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate, or the Designated Branch of the SCSB, as the case may be, match with the DP ID, beneficiary account number and PAN available in the Depository database;

(r) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the relevant SCSB and/or the Designated Branch and/or the members of the Syndicate (except in case of electronic forms);

(s) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the member of the Syndicate in the Specified Cities, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

(t) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at-least one branch in the Specified Cities for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1336019046318.html);

(u) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form; and

(v) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the member of the Syndicate in the Specified Cities, as the case may be, for the submission of your Bid cum Application Form.

Don’ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d) Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

(g) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 200,000);

(h) Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);

(i) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(k) Do not submit the Bids without the full Bid Amount;

(l) Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

(m) Do not submit Bids on plain paper or incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

(n) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended;

(o) Do not submit more than five Bid cum Application Forms per ASBA Account;

(p) Do not submit the Bid cum Application Form if you are applying through the ASBA process with a member of the Syndicate at a location other than the Specified Cities; and

(q) Do not submit ASBA Bids to a member of the Syndicate in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1336019046318.html).

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 200,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through the ASBA process only.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or is equal to Rs. 100 million and in multiples of [●] Equity Shares thereafter.

(g) In single name or in case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form.

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the

Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Bank(s) or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Bank(s), the Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Bids by Non-Residents including Eligible NRIs, FIIs, Eligible QFIs and Foreign Venture Capital Investors on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or in case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names of persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

There is no reservation for Eligible NRIs, FIIs or Eligible QFIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, Eligible QFIs that are corporate or statutory entities, insurance companies and provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

(d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended must be attached to the Bid cum Application Form.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Bidders applying by way of non ASBA process.

The Escrow Collection Bank(s) will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Retail Bidders: “Speciality Restaurants Limited Public Issue – Escrow Account - R”

   (b) In case of Non-Resident Retail Bidders: “Speciality Restaurants Limited Public Issue – Escrow Account - NR”

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price as per the pay-in date mentioned in the revised Anchor Investor Allocation Notice. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: “Speciality Restaurants Limited Public Issue – Escrow Account – Anchor Investor- R”

   (b) In case of Non-Resident Anchor Investors: “Speciality Restaurants Limited Public Issue – Escrow Account – Anchor Investor - NR”

6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

9. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

10. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

11. Payments made through cheques without the Magnetic Ink Character Recognition ("**MICR**") code will be rejected.

12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in the electronic form (through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding); or (ii) to the members of the Syndicate in Specified Cities.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the first Bidder (the first name under which the beneficiary account is held) whose name appears in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting a Bid through the ASBA process using a Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs or members of the Syndicate in Specified Cities and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or to the same or another member of the Syndicate. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "- Build up of the Book and Revision of Bids" on page 292 of this Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids will be scrutinised for DP ID and beneficiary account numbers. In case such Bids bore the same DP ID and Beneficiary Account Numbers, these will be treated as multiple Bids and will be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of the Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

In case of QIB Bidders, our Company, in consultation with the BRLM, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the Bids by ASBA Bidders only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid cum Application Form;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However, a limited liability partnership can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended;
- PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or first Bidder missing;
- Submission of more than five Bid cum Application Forms per bank account, under the ASBA process;
- Bids by Bidders whose demat accounts have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Submission of Bids by Anchor Investors through ASBA process;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for a Bid Amount of more than Rs. 200,000 by Bidders applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest/money order/postal order/cash;
- Bid cum Application Forms does not have the stamp of the BRLM or a member of the Syndicate or the SCSB;
- Bid cum Application Forms not being signed by the ASBA account holder, if the account holder is

different from the ASBA Bidder;

- Bid cum Application Form submitted to the members of the Syndicate does not bear the stamp of the members of the Syndicate. Bid cum Application Forms submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the members of the Syndicate, as the case may be;

- Bid cum Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;

- Bid cum Application Forms not containing the authorizations for blocking the Bid Amount in the bank account specified in the Bid cum Application Form;

- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID), the beneficiary's account number and PAN;

- With respect to Bids by ASBA Bidders, if there are inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);

- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;

- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process;

- Bids by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied by cheque(s) or demand draft(s);

- Bid cum Application Form submitted under the ASBA process to a member of the Syndicate at locations other than the Specified Cities and Bid cum Application Forms submitted under the ASBA process to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Bids not uploaded on the terminals of the Stock Exchanges;

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

- Bids by OCBs.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated June 17, 2011 among NSDL, our Company and the Registrar; and
- Agreement dated June 2, 2011, among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint Bids, only the name of the first Bidder (which should also be the first name in which the beneficiary account is held) should be provided in the Bid cum Application Form.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs. In case of ASBA Bids submitted to

the members of the Syndicate, the Bidders can contact the relevant member of the Syndicate in relation to queries relating to the upload of Bids.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the Bidder's DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit MICR code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes by any of the following:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank, as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank for the same would be borne by our Company.

3. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds Rs. 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Any bank charges levied by the Refund Bank will be borne by our Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn (post Issue closure date), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue

Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date;

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date; and

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 4,108,796 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 4,108,796 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 1,760,912 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 1,760,912 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares, and in multiples of one Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs (other than Anchor Investors)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.

- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be not more than 5,869,707 Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLM, subject to compliance with the following requirements:

(a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

(b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

(i) a maximum number of two Anchor Investors for allocation upto Rs. 100 million;

(ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 100 million and up to Rs. 2,500 million subject to minimum allotment of Rs. 50 million per such Anchor Investor; and

(iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 2,500 million subject to minimum allotment of Rs. 50 million per such Anchor Investor.

- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLM before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, through ordinary post, and shall dispatch refund orders equal to or above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar to the Issue, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (post issue closure), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a., if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date, whichever is later.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will un-block funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc., except as disclosed in the section "Capital Structure" on page 70 of this Red Herring Prospectus; and
- That adequate arrangements under the ASBA process, shall be made to collect all Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in our balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("**FDI**") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("**DIPP**") by circular 1 of 2012, with effect from April 10, 2012 ("**Circular 1 of 2012**"), consolidates and supercedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2012 will be valid until the DIPP issues an updated circular. (expected on April, 10 2013 and effective from April 10, 2013).

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met.

The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to *inter alia* sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association of our Company comprise of two parts. Part II shall become inapplicable from the date of filing of the Prospectus with the Registrar of Companies, West Bengal, situated at Kolkata.

Part I of the Articles of Association

Shares at the Disposal of the Directors

Article 2 provides that “Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.”

Consideration for Allotment

Article 3 provides that “The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.”

Restriction on Allotment

Article 4 provides that

"(a) The Directors shall in making the allotments duly observe the provisions of the Act;

(b) The amount payable on application on each Share shall not be less than 5% of the nominal value of the Share; and

(c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.”

Increase of Capital

Article 5 provides that “The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 of the Companies Act, 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of the Act.”

Reduction of Capital

Article 6 provides that "The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise."

Sub-division and Consolidation of Share Certificate

Article 7 provides that "Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

(a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others

(b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled."

New Capital part of the existing Capital

Article 8 provides that "Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise."

Power to issue shares with differential voting rights

Article 9 provides that "The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable."

Power to issue preference shares

Article 10 provides that "Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption."

Further Issue of shares

Article 11 provides that

"(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then

  (a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

  (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined.

  (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

Right to convert loans into capital

Article 12 provides that "Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company."

Allotment on application to be acceptance of shares

Article 13 provides that "Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member."

Return on allotments to be made or Restrictions on Allotment

Article 14 provides that "The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act."

Money due on shares to be a debt to the Company

Article 15 provides that "The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly."

Members or heirs to pay unpaid amounts

Article 16 provides that "Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company's regulations require or fix for the payment thereof."

Commission for placing shares, debentures, etc

Article 23 provides that

"(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company.

(b) The Company may also, in any issue, pay such brokerage as may be lawful."

Company's lien on shares /debentures

Article 24 provides that "The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Enforcing lien by sale

Article 25 provides that "For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice."

Application of sale proceeds

Article 26 provides that "The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale."

Board to have right to make calls on shares

Article 27 provides that "The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting."

Notice for call

Article 28 provides that "Fourteen days notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid."

Call when made

Article 29 provides that "The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board."

Liability of joint holders for a call

Article 30 provides that "The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Board to extend time to pay call

Article 31 provides that "The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour."

Calls to carry Interest

Article 32 provides that "If a member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Dues deemed to be calls

Article 33 provides that "Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Proof of dues in respect of share

Article 34 provides that "On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuance of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt."

Partial payment not to preclude forfeiture

Article 35 provides that "Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided."

Payment in anticipation of call may carry interest

Article 36 provides that

"(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

Board to have right to forfeit shares

Article 37 provides that "If any member fails to pay any call or installment of a call or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment."

Notice for forfeiture of shares

Article 38 provides that

"(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.

(b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited."

Forfeited Share to be the property of the Company

Article 41 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit."

Member to be liable even after forfeiture

Article 42 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit."

Claims against the Company to extinguish on forfeiture

Article 43 provides that "The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved."

Board entitled to cancel forfeiture

Article 47 provides that "The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions at it thinks fit."

Register of Transfers

Article 48 provides that "The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares."

Endorsement of Transfer

Article 49 provides that "In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee."

Instrument of Transfer

Article 50 provides that "The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors may refuse to register transfer

Article 53 provides that "Subject to the provisions of Section 111 and Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Transfer of partly paid shares

Article 54 provides that "Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act."

Survivor of joint holders recognized

Article 55 provides that "In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person."

Title to shares of deceased members

Article 56 provides that "The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member."

Transfers not permitted

Article 57 provides that "No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian."

Transmission of shares

Article 58 provides that "Subject to the provisions of these presents, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares."

Rights on Transmission

Article 59 provides that "A person entitled to a share by transmission shall, subject to the Directors' right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share."

Instrument of transfer to be stamped

Article 60 provides that "Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board."

Share Certificates to be surrendered

Article 61 provides that “Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.”

No fee on Transfer or Transmission

Article 62 provides that “No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.”

Company not liable to notice of equitable rights

Article 63 provides that “The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.”

Dematerialisation of Securities

Article 64 provides that

“(i) Definitions: For the purpose of this Article:

“*Beneficial Owner*” means a person whose name is recorded as such with a depository.

“*Bye-Laws*” means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

“*Depositories Act*” means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“*Depository*” means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

“*Member*” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

“*Participant*” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“*Record*” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

“*Registered Owner*” means a depository whose name is entered as such in the records of the Company.

“*SEBI*” means the Securities and Exchange Board of India

“*Security*” means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in that Act.

(ii) *Company to Recognize Interest In Dematerialized Securities Under The Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/Re-Materialisation Of Securities:*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option To Receive Security Certificate Or Hold Securities With Depository:*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form:*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner Deemed As Absolute Owner:*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, Trust Equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights Of Depositories And Beneficial Owners:*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) *Register And Index Of Beneficial Owners:*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) *Cancellation Of Certificates Upon Surrender By Person:*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service Of Documents:*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment Of Securities:*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer Of Securities:*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) *Distinctive Number Of Securities Held In A Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) *Provisions Of Articles To Apply To Shares Held In Depository:*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository To Furnish Information:*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option To Opt Out In Respect Of Any Such Security:*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect Of This Article:*

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles of these presents."

Nomination Facility

Article 65 provides that

"(I) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.

(II) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.

(III) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(a) To be registered himself as holder of the shares or debentures as the case may be, or

(b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination."

Buy Back of shares

Article 66 provides that "The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re- enactment(s) thereof."

Rights to issue Share Warrants

Article 68 provides that

"(a) The Company may issue share warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

(b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant."

Rights of warrant holders

Article 69 provides that

"(a) The bearer of the share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register of Members as the holder of the shares included in the deposited warrant.

(b) Not more than one person shall be recognized as the depositor of the share warrant.

(c) The Company shall, on two days written notice, return the deposited share warrant to the depositor."

Article 70 provides that

"(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company."

Board to make rules

Article 71 provides that "The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction."

Rights to convert shares into stock & vice-versa

Article 72 provides that "The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose."

Rights of stock holders

Article 73 provides that "The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages."

Annual General Meetings

Article 74 provides that "The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act."

Extraordinary General Meetings

Article 75 provides that "The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board."

Extraordinary Meetings on requisition

Article 76 provides that "The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act."

Notice for General Meetings

Article 77 provides that "All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting."

Quorum for General Meeting

Article 80 provides that "Five members or such other number of members as the law for the time being in force prescribes, shall be entitled to be personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting."

Chairman of General Meeting

Article 82 provides that "The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company."

Election of Chairman

Article 83 provides that "If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman."

Voting at Meeting

Article 85 provides that "At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that on a show of hands, the resolution has or has not been carried, or has or has not been carried unanimously or by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against such resolution."

Decision by poll

Article 86 provides that "If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded."

Casting vote of Chairman

Article 87 provides that "In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member."

Poll to be immediate

Article 88 provides that

"(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.

(b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand."

Passing resolutions by Postal Ballot

Article 89 provides that

“(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.”

Voting rights of Members

Article 90 provides that

“(a) On a show of hands every member holding equity shares and present in person shall have one vote.

(b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.

(c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.”

Voting by joint-holders

Article 91 provides that “In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.”

No right to vote unless calls are paid

Article 92 provides that “No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.”

Proxy

Article 93 provides that “On a poll, votes may be given either personally or by proxy.”

Instrument of proxy

Article 94 provides that “The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.”

Article 95 provides that “The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.”

Validity of proxy

Article 96 provides that "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Corporate Members

Article 97 provides that "Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company."

Number of Directors

Article 98 provides that "Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than twelve, including all kinds of Directors.

Subscribers to the Memorandum of Association and these Articles were the first Directors of the Company.

Not less than 2/3rd of the total number of directors of the Company may be appointed according to the principle of proportional representation whether by a single transferable vote or by a system of cumulative voting or otherwise in accordance with section 265 of the Act."

Share qualification not necessary

Article 99 provides that "Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director."

Director's power to fill-up casual vacancy

Article 100 provides that "Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which Director in whose place he is appointed would have office if it has not been vacated as aforesaid."

Additional Directors

Article 101 provides that "The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting."

Alternate Directors

Article 102 provides that "The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than 3 months form the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director return to the state in which the meetings of the Board are ordinarily held. If the terms of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director."

Remuneration of Directors

Article 103 provides that "Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with Section 309 of the Act."

Remuneration for extra services

Article 104 provides that "If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled."

Equal power to Director

Article 107 provides that "Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company."

One-third of Directors to retire every year

Article 108 provides that "At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article."

Retiring Directors eligible for re-election

Article 109 provides that "A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto."

Meetings of the Board

Article 118 provides that

"(a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.

(b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director."

Quorum

Article 119 provides that "The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time."

Questions how decided

Article 120 provides that

"(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

(b) In case of an equality of votes, the Chairman shall have second or casting vote in addition to his vote as Director."

Resolution by Circulation

Article 127 provides that "Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as it had been a resolution duly passed at a meeting of he Board or committee duly convened and held."

Borrowing Powers

Article 128 provides that

"(a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specifies purpose and in particular, but subject to the provisions of Section 292 and 293 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debenture convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.

(c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think, fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.

(d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company."

Assignment of debentures

Article 129 provides that "Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued."

Term of Issue of Debentures

Article 130 provides that "Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise, Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution."

Debenture Directors

Article 131 provides that "Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained."

Nominee Directors

Article 132 provides that

"(a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

(c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is//are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(d) The Company shall pay the Nominee Director/s' sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer."

Register of Charges

Article 133 provides that "The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified."

Subsequent assigns of uncalled capital

Article 134 provides that "Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge."

Charge in favour of Director for Indemnity

Article 135 provides that "If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

Powers to be exercised by Board only by Meeting

Article 136 provides that

"(a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:

(i) Power to make calls on shareholders in respect of moneys unpaid on their shares;

(ii) Power to issue debentures;

(iii) Power to borrow money otherwise than on debentures:

(iv) Power to invest the funds of the Company;

(v) Power to make loans.

(b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.

(c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.

(d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, up to which the fund may invested and the nature of the investments which may be made by the delegate.

(e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases."

Managing Director(s) and/or Whole-Time Director(s)

Article 138 provides that

"(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/or Whole-time Directors.

(b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/or Whole time Directors.

(c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.

(d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director and/or Whole Time Director.

(e) The Managing Director and/or Whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director and/or Whole-time Director."

Powers and duties of Managing Director and/or Whole-Time Director

Article 139 provides that "The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction."

Remuneration of Managing Directors/Whole Time Directors

Article 140 provides that "Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors and\or Whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine."

Custody of Common Seal

Article 143 provides that "The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one."

Right to dividend

Article 145 provides that

"(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively and the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.

(b) Where capital is paid in advance of calls, such capital shall not, confer a right to participate in the profits."

Declaration of Dividends

Article 144 provides that "The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Capitalisation of Profits

Article 157 provides that

"(a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto ("Entitled Members") if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(i) Paying up any amounts for the time being unpaid on shares including any preference shares held by Entitled Members respectively

(ii) Paying up in full, unissued shares including any preference shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst Entitled Members in the proportions aforesaid provided that allotment of such shares including any preference shares shall not be made to Entitled Members who furnish to the Company a written notice waiving their entitlement to receive such shares including any preference shares as mentioned herein this Article 157 (b) (ii) and accordingly such amounts shall not be capitalised; or

(iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).

(c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares."

Power of Directors for declaration of bonus issue

Article 158 provides that

"(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares, if any, and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also

(ii) to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the Shares.

(c) Any agreement made under such authority shall be effective and binding on all such members."

Winding Up

Application of assets

Article 176 provides that "Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company."

Division of assets of the Company in specie among members

Article 177 provides that "If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with sanction of a special resolution divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly."

Director's and others' right to indemnity

Article 178 provides that

"(a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Sec. 633 of the Act in which relief is given to him by the Court."

Not responsible for acts of others

Article 179 provides that

“(a) Subject to the provisions of Sec. 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.

(b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Register of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.”

Secrecy

Article 180 provides that “No member shall be entitled to inspect the Company’s works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.”

Duties of Officers to observe secrecy:

Article 181 provides that “Every Director, Managing Directors, Whole-time Director, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.”

Part II of the Articles of Association

Part II of the Articles provide for all the rights and obligations of the parties to the Shareholders’ Agreement dated December 5, 2007 entered into between SAIF, our Company and our Promoters as amended by an amendment agreement dated, February 18, 2009 and Subscription and Shareholders Agreement dated March 26, 2010 between Glix Securities, our Company and our Promoters.

In the event of any inconsistency between Part I and Part II of the Articles, the provisions of Part II shall prevail over Part I. However Part II of the Articles shall become inapplicable from the date of filing of the Prospectus with the RoC. In the event our Company is unable to file the Prospectus with the RoC in relation to the IPO of the Equity Shares of the Company, the provisions of Part II of the Articles shall be the Articles of Association of our Company and Part I shall become inapplicable.

Definitions

Article 2.1 *inter alia* provides that, “In these Articles, unless the context otherwise requires:-

“Investor” shall mean SAIF III Mauritius Company Limited**,** a company registered under the laws of Mauritius, having its registered office at 2nd Floor, Felix House, 24 Dr. Joseph, Riviere Street, Port Louis, Mauritius;

"Investor 1" shall mean Glix Securities Private Limited, a company incorporated under the Act, having its registered office at 1A, Grant Lane, 1st Floor, Room No. 118, Kolkata – 700 012;

Number of Directors

Article 6.2.2 provides that, "The Investor shall be entitled to nominate such number of Directors on the Board in proportion to its Shareholding Percentage at such point of time with any fraction less than half being rounded off to the lower whole number and any fraction greater than half being rounded off to the next higher whole number ("Investor Director")".

Dividends

Article 8.1 provides that,

(i) "The Directors may retain any dividend on which the Company has a lien and may apply it in/or towards satisfaction of the debt liabilities or engagement in respect of which lien exists.

(ii) Any one of several persons who are registered as the joint holders of any Share may give effectual receipts for all dividends and payments on account of dividends in respect of such Shares.

(iii) Subject to Section 205A of the Act, the Directors may retain the dividends payable upon Shares in respect of which any person under Article 9.1.7 herein is entitled to become a member or in respect of which any person under the Article 9.1.7 herein is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

(iv) All the dividends on any share not having a registered owner entitled to require payments of and competent to give a valid ownership for the same shall remain in suspense until some competent person is registered as the holder of the share and all the dividends remaining unpaid shall be dealt with in the manner provided under Section 205A of the Act.

(v) Subject to Applicable Law, the Investor and Investor 1 shall as holders of the Investor Shares and Investor 1 Shares respectively be entitled to receive, in preference to the holders of the Equity Shares, if and when declared by the Board, non-cumulative dividend at the rate of 8 (eight)% per annum (before payment of dividend tax) of the Share Subscription Amount or Share Subscription Amount 1 respectively on each outstanding Share of the Investor Shares or Investor 1 Shares, as the case may be, to be paid when and as declared by the Board, in priority to the payment of dividends in respect of all other Shares of the Company. This dividend shall be payable to the Investor and/or Investor 1 only upon buy back of its Investor Shares or Investor 1 Shares, as the case may be, or upon the occurrence of a Liquidation Event.

(vi) Until the conversion of the Investor Shares into Equity Shares, the annual rate of dividend to be declared for the Equity Shares shall be capped at 10 (ten)% of the face value of the Equity Shares or 10 (ten)% of the net profits of the Company, whichever is lower. If the rate of dividend on Equity Shares is increased in excess of the aforesaid limits, the Investor's entitlement to dividend on the Investor Shares shall be increased by such excess amount, subject to Applicable Law".

Voting Rights

Article 8.2 provides that,

"(i) The voting rights of every Shareholder on every resolution placed before the Company shall, to the extent permissible under Law, be in proportion to the Share Capital that the Shares held by such Shareholder represent. It is clarified that the Investor Shares (on an As If Converted Basis) shall carry the same voting rights as are attached to the Equity Shares and the number of Equity Shares into which the Investor Shares will convert shall be determined in accordance with Article 8.4.

(ii) The Investor is entitled to exercise voting rights on the Investor Shares as if the same were converted into Equity Shares and in the event that (a) the Company is converted from a private company to a public company; or (b) Article 8.2 (i) above becomes unenforceable under Applicable Law, until the earlier of buy back of the Investor Shares or conversion of the Investor Shares into Equity Shares, the Founders shall vote in accordance with the instructions of the Investor at a General Meeting or provide proxies without instructions to the Investor for the purposes of a General Meeting, in respect of such number of Equity Shares held by each of them such that X% (X percent) of the Equity Shares of the Company are voted on in the manner required by the Investor; provided X percent shall be equal to the percentage of Equity Shares in the Company that the Investor would hold if it were to elect to convert its Investor Shares into Equity Shares in accordance with Article 8.4 hereof. It is hereby clarified that in such an event the Investor may convert a nominal number of Investor Shares into Equity Shares in accordance with Article 8.4 hereof.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the Bid/Issue Opening Date to the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated December 1, 2010 between our Company and the BRLM.

2. Issue Agreement dated March 11, 2011 between our Company and the BRLM.

3. Agreement dated March 7, 2011 between our Company and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the BRLM, Escrow Collection Bank(s), Refund Bank and the Registrar to the Issue.

5. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Member.

6. Underwriting Agreement dated [●] between our Company, the BRLM and the Syndicate Member.

B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company.

2. Certificate of Incorporation of our Company.

3. Resolutions of the Board of Directors dated March 2, 2011 and March 14, 2012 in relation to this Issue and other related matters.

4. Shareholders' resolutions dated March 2, 2011 and March 14, 2012 in relation to this Issue and other related matters.

5. The examination reports of the statutory auditor Deloitte Haskins & Sells, Chartered Accountants on our restated financial information, included in this Red Herring Prospectus.

6. Shareholders' Agreement amongst our Company, SAIF III Mauritius Company Limited, Anjan Chatterjee and Suchhanda Chatterjee dated December 5, 2007 and Amendment Agreement dated February 18, 2009 amongst our Company, SAIF III Mauritius Company Limited, Anjan Chatterjee and Suchhanda Chatterjee.

7. Letters dated February 3, 2011, November 1, 2011 and March 12, 2012 from our Company, Anjan Chatterjee and Suchhanda Chatterjee and accepted by SAIF III Mauritius Company Limited.

8. Share Subscription and Shareholders Agreement amongst our Company, Glix Securities Private Limited, Anjan Chatterjee and Suchhanda Chatterjee dated March 26, 2010.

9. Letters dated February 3, 2011, November 1, 2011 and March 12, 2012 from our Company, Anjan Chatterjee and Suchhanda Chatterjee and accepted by Glix Securities Private Limited.

10. Appointment letters of our Whole-time Directors.

11. Copies of the annual reports of our Company for the last three Fiscal Years.

12. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on the restated accounts in the form and context in which they appear in this Red Herring Prospectus.

13. The Statement of Tax Benefits dated March 26, 2012 from our Statutory Auditors.

14. Consent of our Directors, BRLM, the Syndicate Member, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrar to the Issue, Bankers to the Issue and Escrow Collection Bank(s), Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

15. Certificates dated May 2, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants in relation to the objects of the Issue.

16. Due Diligence Certificate dated March 11, 2011 addressed to SEBI from the BRLM.

17. In-principle listing approvals dated March 31, 2011 and April 25, 2011 issued by BSE and NSE respectively.

18. Tripartite Agreement dated June 17, 2011 between our Company, NSDL and the Registrar to the Issue.

19. Tripartite Agreement dated June 2, 2011 between our Company, CDSL and the Registrar to the Issue.

20. IPO Grading Report dated March 23, 2012.

21. Observation Letter (ref. no. CFD/DIL/ISSUES/SK/EHM/21392/2011) dated July 5, 2011 issued by SEBI.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare and certify that all relevant provisions of the Companies Act and the guidelines and regulations issued by the Government or the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act or the SEBI Act or rules or regulations or guidelines, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Anjan Chatterjee	Tara Sankar Bhattacharya
Suchhanda Chatterjee	Jyotin Mehta
Indranil Ananda Chatterjee	Dushyant Rajnikant Mehta
Susim Mukul Datta	Vishal Satinder Sood
	Rajesh Mohta *(Chief Financial Officer)*

Date: May 4, 2012

Place: Mumbai

ANNEXURE I - IPO GRADING REPORT

CONFIDENTIAL

Ref.: SRL \ CS \ 12-03-12 \ 109

Dated: March 23, 2012

Mr. Rajesh Kumar Mohta,
Chief Financial Officer,
Speciality Restaurants Ltd,
3rd, 4th and 5th floor,
B/16, Veera Indl. Estate,
Off. New Link Road,
Andheri (West),
Mumbai – 400 053,

Dear Mr. Mohta,

Ref: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Speciality Restaurants Limited

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "4/5"** (pronounced "four on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are above average relative to other listed equity securities in India.

The assigned grade is a one time assessment valid till May 22nd 2012. In the event of your company not opening the captioned issue before May 22nd 2012, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,

Chetan Majithia
Head, Equities – CRISIL Research

Chinmay Sapre
Analyst, Equities – CRISIL Research

A CRISIL IPO Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO Grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO Grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO Grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO Gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22-66913561, or via e-mail: clientservicing@crisil.com.

For more information on CRISIL IPO Gradings, please visit http://www.crisil.com/ipo-gradings

Speciality Restaurants Limited

One-time assessment

CRISIL IPO Grade 4/5 (Above Average)

March 23, 2012

Grading summary

CRISIL has assigned a CRISIL IPO grade of ‘4/5’ (pronounced "four on five") to the proposed IPO of Speciality Restaurants Limited (Speciality). This grade indicates that the fundamentals of the IPO are above average relative to the other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor.

The assigned grade factors in favourable prospects of the food services industry given India’s demographic profile (68% of the 1.1 bn population in 2006 are below the age of 35 years) and the rising base of working class, two major factors expected to provide impetus to the restaurant business. Also, increasing urbanisation, a growing middle class population and rising disposable income in India are leading to an increase in dining out as a lifestyle choice. The grade reflects Speciality’s strong foothold in the fine dining restaurants segment in India with 82 restaurants and confectionaries under 11 brands spread across 21 cities; it also runs two restaurants in Dhaka, Bangladesh. The company has been successful in creating brands like Mainland China (its flagship brand) and Oh! Calcutta in an industry which is characterised by high brand mortality and strong competition. The grade also factors in the company’s strong focus on quality food, attentive services, and ability to identify locations with high consumer traffic. Further, its strategy to introduce new brands has enabled it to attract more guests per day for all of its restaurants thereby improving the overall profitability. The grade also takes into account the company’s prudent expansion strategy through internal accruals which has enabled it to manage the overall risk in this business. Further, the grade is influenced by the strong and professional management team, the strong internal control system implemented by the company and good corporate governance practices being followed therein.

However, the grade is moderated by the fact that the food service industry is highly fragmented and there is stiff competition from organised (domestic and international) as well as unorganised players. To beat competition, the company will have to consistently setup new outlets as older ones tend to mature in four-five years. Besides, Speciality’s business is dominated by the success of a singular brand, Mainland China, which contributes more than 50% to revenue.

Speciality’s revenues for FY11 were Rs 1,751 mn and Rs 962 mn for 6MFY12. EBITDA margins were 22.7% in FY11 and 21.5% during 6MFY12 and PAT margins were 10.2% and 10.6%, respectively. As of September 30, 2011, the net worth of the company was Rs 1,078 mn against a debt of Rs 289 mn.

About the company

Speciality Restaurants Ltd (Speciality) is one of the leading fine-dining restaurant operators in India. Besides its flagship brand Mainland China, the company operates a chain of restaurants under various brands like Oh! Calcutta, Machaan, Sigree, Flame & Grill and Haka. The company also operates a confectionery brand, Sweet Bengal, in Mumbai. Of the 69 restaurants, 20 are under the franchise owned and company operated (FOCO) model and the rest are owned and operated by the company (COCO).

Speciality's promoters launched their first restaurant in 1992 under the name Only Fish at Mahim, Mumbai, which was renamed Oh! Calcutta in 1996. In 1994, they launched their first Mainland China restaurant at Sakinaka, Mumbai. Speciality was incorporated on December 1, 1999 as a private limited company to expand the network of its restaurants. It also acquired the then-existing two Mainland China restaurants from its promoters in April 2002 and one Oh! Calcutta restaurant in April 2005. Since its incorporation, the company has successfully grown its business to 69 restaurants and 13 confectionaries under 11 brands in 21 cities in India and two in Dhaka, as of February 29, 2012. In FY2010, the number of guests served at its corporate restaurants was approximately 2.40 million, or, on average over 7,192 guests each day.

Issue details

Shares offered to public	11.73 mn
As per cent of post issue equity	25%
Object of the issue	• Development of new restaurants • Development of food plaza • Repayment of term loan facility • General corporate purposes
Amount proposed to be raised	Not available at the time of grading
Price band	Not available at the time of grading
Lead managers	Kotak Mahindra Capital Company Limited

Source: DRHP

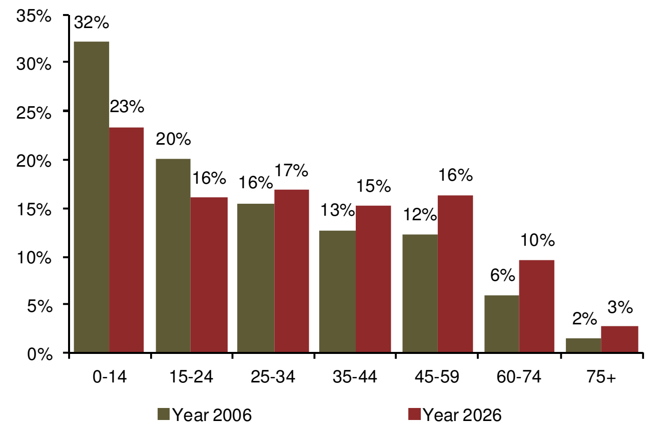
Detailed Grading Rationale

A. Business Prospects

- ***Favorable demographic profile and growing working population to augment demand for restaurant chains in India***

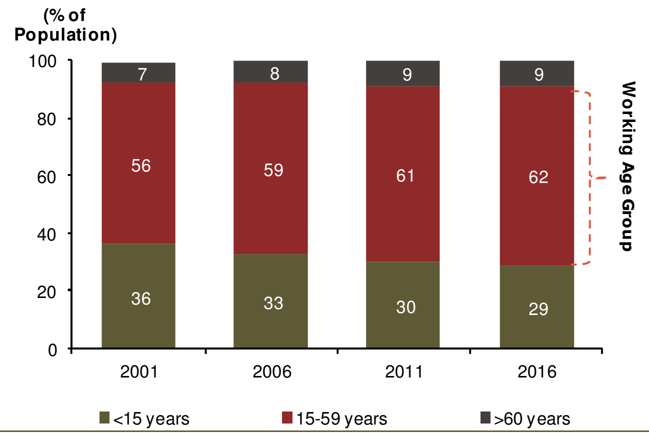
The demographic rise in younger population and the working class in India are expected to provide a great impetus to the restaurant business. KSA Technopak's 2009 survey revealed that in India mostly people aged 21-40 years eat out regularly. As per the National Commission on Population (NCP), nearly 68% of the 1.1 bn population in 2006 was below the age of 35 years (with a median age of 24 years). Besides, with the expected strong long-term GDP growth rate in India likely to create more employment opportunities, the present base of working population will also increase. As per the Central Statistical Organisation, the proportion of working age population (comprising 15-59 years) in India will rise to 62% by 2016 from 59% in 2006.

Demographic profile



Source: Industry Sources

Increasing working population



Source: Central Statistical Organization

- ***Increasing urbanisation and rising middle class to expand the 'dining out' consumer base***

As per industry sources, the number of people living in Indian cities will go up by 250 million to reach 590 million by 2030. In addition, the increase in the middle income segment coupled with an increasing proportion of population living in urban centres is leading to an increase in dining out as a lifestyle choice. As per industry sources, more than 100 million Indian households will join the middle income segment (with an annual income of Rs 0.2 mn to Rs 10 mn).

- ***Speciality has developed a successful brand amidst a strong competitive environment***

Speciality has been able to build a successful brand presence in an industry which is highly fragmented and strongly competitive. Its flagship brand, Mainland China, is a well recognised fine dining brand in India, operating for more than 16 years in the domestic market. It contributes more than 50% to the overall food and beverage revenue and has served 1.54 mn guests in FY11 with an average per day cover turnaround of 1.55 times. Over the years, this brand has gained significant market acceptance – currently it runs 37 restaurants across 21 cities in India and two in Dhaka, Bangladesh. Besides, it has won accolades like "Times Good Food Awards in 2011" for being the best Chinese restaurant in several cities and also found a place in the "Miele Guide 2010/2011" (a listing of Asia's finest restaurants), which demonstrates the strength of Mainland China's brand recognition in the market.

- ***Diversifying into multiple cuisines in tune with changing consumer preferences***

Guided by changing consumer preferences, the company has introduced new brand concepts of serving food in different formats. With theme-based restaurants gaining popularity in the fine dining segment, Speciality's theme-based brands, like Machaan, are rapidly gaining brand recognition. Besides, the company also plans to develop Italian cafés - with a cover capacity 60-65 each - to cater to the 18 to 30 age group, as these restaurants - with out-of-the-box offerings in terms of ambience, cuisine and décor - are gaining acceptance in the market.

- ***Quality of food and guest services leading to higher number of repeat guests***

Speciality's branded restaurants are known for providing a great dining experience through a combination of quality food, great ambience and attentive services. To maintain the standard, the company follows several steps. The operations teams regularly monitor and adjust menus to suit the changing tastes and preferences of dynamic consumers. From time to time, the company invites chefs from China to visit the Mainland China restaurants to train their chefs and to introduce new items into their menus. Apart from providing training to its internal staff (from waiting staff to security to valet), the company actively manages its service standards by putting strong emphasis on guest reviews and their feedbacks. All these have resulted in repeated guest visits across its restaurants.

- ***Strategic locations lead to higher cover turnaround even for new restaurants***

The success of any restaurant depends – among other things - upon the identification of locations having continuous high consumer traffic, which can potentially result in daily higher cover turnaround. Every restaurant of Speciality is located in high consumer traffic zones - be it business districts or prominent high streets - and this has enabled the company to generate a higher cover turnaround per day for all its restaurants. Besides, a few of its Mainland China restaurants have themselves turned into destinations - for example, the restaurants at Sakinaka, Mumbai or at Silver Spring, Kolkata. Also, most of its restaurants are located in either metro or tier-I cities with a majority of them in western India, a region which has the highest proportion of people dining out regularly.

- ***Robust internal control process ensures stringent quality control***

Speciality has a strict quality monitoring system in place for all its restaurants. The corporate chefs along with two senior chefs regularly visit the restaurants in India and the two in Dhaka, Bangladesh. In cities with a sufficient number of restaurants, the company has city chefs who make regular visits to each of the restaurants assigned to them. In addition, from time to time, the company - through a third party auditor - inspects its restaurant premises; the suggestions are taken up at the corporate level and implemented. Also, food samples from each of the restaurants and confectionaries are sent to a third party laboratory for microbiological testing to check that they meet the accepted hygienic standards.

- ***Huge expansion plans to drive future growth – Mainland China continues to dominate***

In the fine dining business, revenues from same outlets tend to hit the plateau in four to five years. To achieve incremental growth, companies have to consistently set up new outlets. Despite a healthy mix of new and mature outlets, Speciality has robust expansion plans for the next two years to penetrate further into the metro and tier-I / tier II cities. The company plans to open 32 new restaurants, mostly in metro and tier I cities. In the past, the company has judiciously selected locations for its new restaurants in high traffic areas and will use the same experience for its proposed expansion as well. The company also has plans to develop a food plaza in Rajarhat, Kolkata, West Bengal, which will consist of banquet hall(s) and its various restaurants.

- ***Focus on COCO model reduces the risk of dilution of quality, service and overall brand value***

The company seeks to expand mainly through the ownership model and opportunistically through the franchise model. All the 32 new restaurants under the proposed plan will be on the ownership model. Besides, of the existing portfolio, only 20 restaurants are on a franchise model and rest are all owned and operated by the company. The company uses the franchise route selectively while moving into tier II locations. Even then, the company controls the critical aspects of its business including food quality and guest attention.

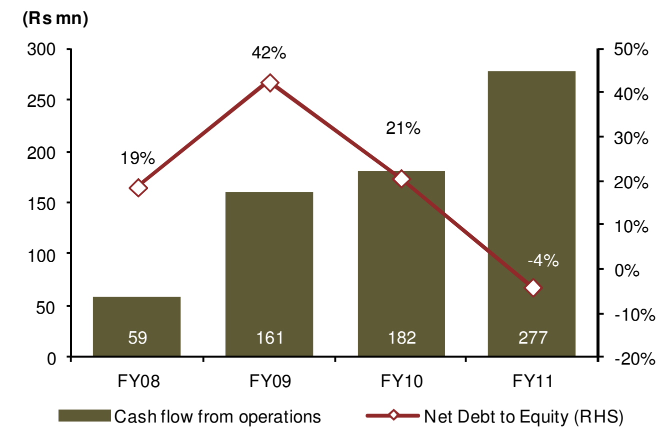
- ***Clubbing other brands with Mainland China enhances visibility for newer brands and optimises costs***

The company's new restaurant formats such as combos and multi-brands are enabling it to promote new brands by leveraging Mainland China's brand popularity. Currently, the company has eight such format restaurants in place (four combos and four multi-brands) where it includes other brands like Flame and Grill or Sigree or Machaan alongside a Mainland China restaurant. For instance, the multi-brand restaurant in Hyderabad has combined Sigree and Flame & Grill with Mainland China in the same premises. These formats also lead to operational synergies like enabling the company to negotiate a better lease rental deal with the property owner by seeking a large space, using a common kitchen space which frees up more area to accommodate more covers and hence generate higher revenues, while a common management and staff reduces employee cost. Riding on the success of its existing eight format restaurants, the company is planning to launch more of its proposed restaurants under such formats.

- ***Expansion through internal accruals enabled the company to manage overall risk***

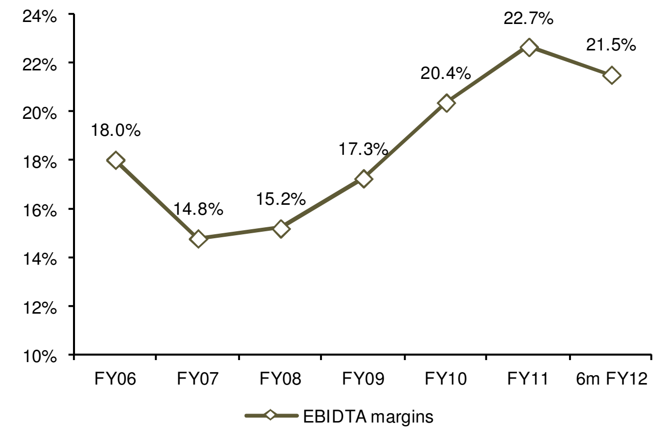
Speciality's prudent expansion strategy has continuously yielded surplus cash from operations on the back of margin expansion. The company has always used internal accruals or equity infusion for expanding its restaurants portfolio that has enabled the company to manage the overall risk in the fine dining restaurant business, which is characterised by a high cost structure. The strong cash flows depict the strength of its brand and enable the company to manage its expansion plan without going in for too much of leverage.

Cash from operation, as % of sales



Source: DRHP, CRISIL Research

Margins expanded even during downtime



Source: DRHP, CRISIL Research

- ***Food service industry is highly fragmented and competitive with numerous players***

Traditionally, Indian consumers often opt to eat at roadside eateries and dhabas, which still occupy a major share of the unorganised sector. The organised market too is highly competitive and fragmented with a large number of Indian and foreign players. Though the fast-food or quick service restaurant segment is dominated by global players like Mcdonalds, Dominos and others, the fine-dining segment is dominated by domestic players either having a standalone restaurant or a chain of restaurants. The demographic profile of the country and expectations of a strong GDP growth and rising disposable income are attracting many foreign as well as domestic players to increase their footholds in India, which will make the organised market even more competitive.

- ***Too much dependence on one brand leading to concentration risk***

Speciality's business is dominated by the success of its brand Mainland China, which currently contributes more than 50% to overall revenue. Though the launch of various new brands has reduced the proportion to 57% in FY10 from 84% in FY06, any shift in consumer preferences (away from Chinese cuisine) may impact the sales of Mainland China and hence Speciality's overall growth. However, the Mainland China brand still dominates future expansion plans. Besides, some of the restaurants under the Haka brand, which did not perform as expected, had to be closed eventually. We might see a similar situation for other brands too if the locations are not identified carefully, which could impact overall operations.

- ***High real estate costs and shortage of skilled manpower may affect fine-dining players***

A majority of the restaurant players, including Speciality, operate under leased premises. Hence rising real estate lease rentals may impact the players' profitability and the growth of the industry. Operating fine-dining restaurants in India has become costly due to rising lease rentals as well as increasing cost of interior decor. The fine dining restaurant business is highly dependent on skilled and well-trained manpower - especially experienced chefs and managers - who are hard to come by in India. With growth in other sectors, the hospitality industry as a career option finds few takers. A shortage of adequate training institutes and the generally low salary (leading to high attrition levels) also hamper the industry.

B. Financial Performance

Speciality's revenues have increased at a CAGR of 39% from Rs 332 mn in FY06 to Rs 1,751 mn in FY11, primarily driven by addition of new restaurants and better performance from the matured restaurants. Overall, the total number of restaurants has increased to 62 in FY11 from 11 in FY06. EBITDA margins expanded from 18.0% in FY06 to 22.7% in FY11. Reported net profit has increased to Rs 160 mn in FY11, registering a five year CAGR of 38%. For the 6MFY12, the company reported Rs 962 mn of revenues with Rs 206 mn EBITDA and Rs 102 mn net profit. EBITDA margins during this period were 21.5% and PAT margins were 10.6%. As of February 29, 2012, the company has 82 restaurants and confectionaries across 21 cities in India and two in Dhaka, Bangladesh.

Financial performance snapshot (Rs mn)

Particulars	FY08	FY09	FY10	FY11	H1FY12
Total operating income	833	1,164	1,321	1,751	962
EBITDA margin (%)	15.2	17.3	20.4	22.7	21.5
Adjusted Net profit / (loss)	52	81	91	179	102
Adjusted Net Margin (%)	6.3	6.9	6.9	10.2	10.6
ROCE (%)	16.1	16.8	17.8	24.8	NA
ROE (%)	18.0	15.5	14.5	19.7	NA
Adjusted EPS (Rs)	1.8	2.8	3.2	6.3	3.6
No. of Equity Shares (mn)	1.5	1.5	1.5	28.5	28.5
Net Worth	489	554	704	912	1,078
Debt-Equity Ratio	0.6	0.4	0.3	0.2	NA

Note: The financial numbers in this document has been re-classified as per CRISIL standard and hence may not match with the DRHP numbers.

Source: DRHP, CRISIL Research

C. Management Capabilities

- ***Experienced top management with strong domain expertise***

Managing director Mr. Anjan Chatterjee, one of the co-founders and promoters, is a science graduate from University of Calcutta with a diploma in hotel management, catering technology and applied nutrition from the State Council for Engineering and Technical Education, West Bengal. He has over 30 years of experience in the advertising and hospitality industry which includes training at Indian Hotels Company Limited (IHCL) as a management trainee. He is responsible for overall strategic decisions including brand promotion. Mrs. Suchhanda Chatterjee, the other co-founder, promoter and a whole-time director, is an Arts graduate from University of Calcutta and has over 11 years of experience in the hospitality industry. She is responsible for the restaurants' interior designing. Under their leadership, the company has seen a linear expansion in its revenue and margins. Besides, the management has shown their ability to achieve and manage significant expansion despite strong competition from organised as well as unorganised players.

- ***Strong second line of management***

The company has a strong second line of management. Mr. Indranil Chatterjee, the whole time director, has three decades of experience in finance and marketing. Mr. Indraneil Palit, the chief operating officer, associated with the company since its inception, has over 27 years of experience in the hospitality industry and was earlier a manager at IHCL. Mr. Phiroz Savak Sadri, director - Operations and Brand Standards, associated with the company since its inception, has 23 years of experience in the hospitality industry; he was an assistant restaurant manager at IHCL prior to joining Speciality. Mr. Jayanta Chatterjee, director - Business Development and Planning, associated with the company since its inception, has two decades of experience in the hospitality industry and was a catering assistant at IHCL earlier. Mr. Rajesh Dubey, director – Food Production, associated with the company since 2000, has more than two decades of experience in the hospitality industry and was an executive sous chef with IHCL earlier. We believe that the company has been creating a sufficient management bandwidth to execute its growth strategy and manage its expansion plans.

D. Corporate Governance

- ***Experienced and reputed independent directors***

Speciality's board consists of four independent directors which include prominent names like Mr. Susim Mukul Datta (chairman of various companies including Castrol India Ltd and Philips Electronic India Ltd) and Mr. Tara Sankar Bhattacharya (former managing director of State Bank of India). All of them are highly experienced and qualified in their respective fields. All the four independent directors, except Mr. Dushyant Rajnikant Mehta who was appointed on August 18, 2009, have been appointed on February 9, 2011. The board is well equipped to provide guidance and exercise oversight over the management and is chaired by Mr. Susim Mukul Datta. The board also consists of one nominee director, Mr. Vishal Satinder Sood, from SAIF III Mauritius Company Ltd.

- ***Adequacy of governance systems and processes***

Overall, the company has implemented good governance and processes. The company currently has three committees (audit, remuneration and investor grievances) in place and all are chaired by independent directors. Though the promoters have group companies, none are engaged in the business of operating restaurants. There are no pending litigations against the promoters. There is a strong integration between departments, which helps the company in making well-informed decisions. The company implemented an ERP system three years back and book all revenue and material sourcing related transaction through it. No restaurant is allowed to withdraw money out of cash sales except during exigencies.

Annexure I

Business Profile

Speciality operates fine dining restaurants offering multiple cuisines across multiple brands, with a largely Chinese cuisine focus. The company's flagship brand is Mainland China which serves Chinese cuisine in a standalone fine dining setting. Oh! Calcutta is the other core brand which features a range of cuisines typical of Kolkata (including Bengali, Nawabi, British and Continental). Other restaurant brands are Flame & Grill, Haka, Just Biryani, KIBBEH, Kix, Machaan, Sigree, Shack, as well as a confectionary brand, Sweet Bengal with 13 outlets in Mumbai.

Details of Brands and outlets of Speciality across cities

Speciality Restaurants Ltd							
Mainland China	**Oh! Calcutta**	**Flame & Grill**	**Sigree**	**Machaan**	**Haka**	**Kibbeh / KIX / Shack / Just Biryani**	**Sweet Bengal**
Mumbai, Kolkata, New Delhi, Chennai, Bengaluru, Gurgaon, Pune, Hyderabad, Bhubaneswar, Guwahati, Chandigarh, Lucknow, Ludhiana, Surat, Nasik, Ahmedabad, Baroda, Mangalore, Cochin, Durgapur, Dhaka	Kolkata, Mumbai, New Delhi, Pune, Bengaluru, Dhaka	Kolkata, Hyderabad, Bengaluru, Ludhiana, Nasik	Kolkata, Hyderabad, Pune, Chennai	Mumbai, Kolkata, Ahmedabad, Surat, Nasik, Guwahati	Kolkata, Bhubaneswar	Mumbai, Kolkata, Hyderabad	Mumbai
24 COCO and 13 FOCO	7 COCO and 1 FOCO	5 COCO and 2 FOCO	4 COCO	2 COCO and 4 FOCO	3 COCO	4 COCO	13 COCO

Source: Company, CRISIL Research

- ***Core Brands***

Mainland China

Mainland China is the core flagship brand of Speciality. It was started in 1994 in Mumbai by the promoters and then taken over by the company in 2002. Mainland China's menu features authentic Chinese cuisine while its minimalist décor and soft lighting provides a comfortable ambience.

Oh! Calcutta

Oh! Calcutta is the next popular brand after Mainland China. It was started in Mumbai under the brand name Only Fish which was re-named as Oh! Calcutta in 1996 and acquired by the company in 2005. Its menu features dishes typical of Kolkata (Bengali, Nawabi, British and Continental cuisines).

- ***Other key brands***

Sigree

Sigree, which was first opened in Pune in 2006, offers mainly cuisine from northwestern India.

Haka

Opened first in Kolkata in 2006, it takes a leaf from the casual diners in Hong Kong and Shanghai and targets customers looking for a fast meal option.

Machaan

Opened first in Mumbai in 2007, it offers traditional Indian cuisines in a special setting themed on tropical forests and positions itself as a family outing destination.

Flame & Grill

Opened first in Kolkata in 2008, it offers a fixed buffet.

Sweet Bengal

Indranil Chatterjee (HUF) opened the first Sweet Bengal confectionary in 1996 in Mumbai. The brand was operating nine shops by October 1, 2007 on which date Speciality acquired the Sweet Bengal confectionaries. As of February 29, 2011, Specialty operates 13 Sweet Bengal confectionaries across Mumbai. Sweet Bengal confectionaries sell Bengali sweets and snacks prepared in the Sweet Bengal factory by a team of chefs recruited from West Bengal. Sweet Bengal also supplies sweets to some of its restaurants in Mumbai.

- ***In addition to these brands, other brands of Speciality are:***

Kix

Kix was launched in FY07 as a bar with a dance floor and music targeted at the young professional segment.

Just Biryani

Just Biryani was acquired from Indranil Chatterjee, one of the directors, in FY07. It serves flavoured Indian rice preparations and is primarily a take-away and delivery format restaurant.

Shack

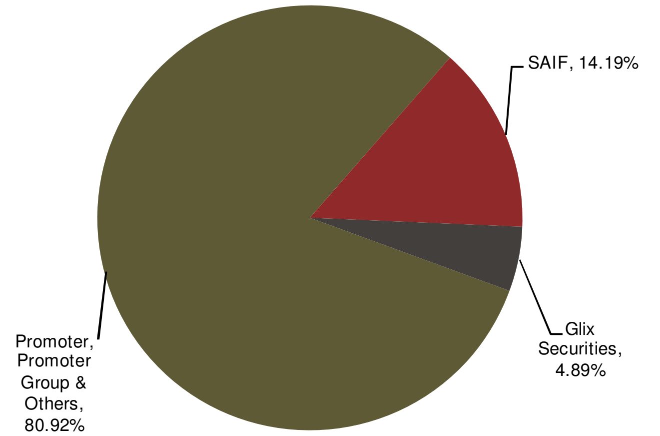
Shack was launched in FY09 as a bar lounge with a beach theme targeted at the young professional segment.

KIBBEH

KIBBEH was started in FY11 as a Lebanese bar lounge targeted at the young professional segment.

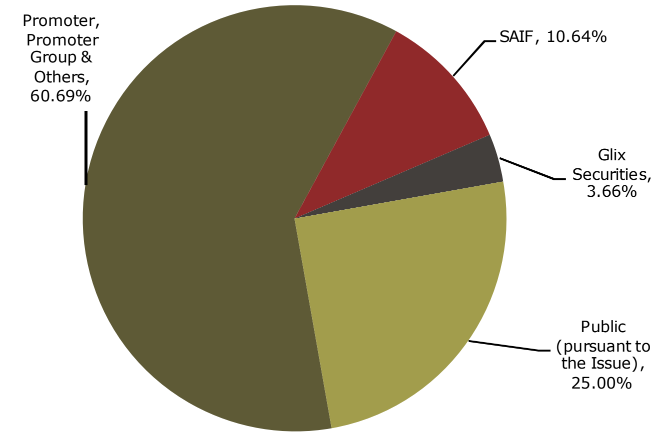
Shareholding Pattern

Pre issue shareholding pattern



Source: DRHP

Post issue shareholding pattern



Source: DRHP

Annexure II: Profile of the Directors

Name	Designation	Age	Qualification	Yrs of Experience	Directorships / partnership in other entities
Anjan Chatterjee	Managing Director (Promoter Director)	53	Diploma in Hotel Management, Catering Technology & Applied Nutrition	30+	*Other directorships:* 1. Chatterbox Entertainment Private Limited 2. Havik Exports Private Limited 3. Havik Leasing and Financial Services Private Limited 4. Mainland China Restaurants India Private Limited; 5. Mainland Restaurants Private Limited 6. Prahari Housing Private Limited 7. Prosperous Promotors Private Limited 8. Quik Service Restaurants Private Limited 9. Shruthi Hotels Enterprises Private Limited 10. Situations Advertising & Marketing Services Private Limited 11. Speciality Hotels India Private Limited 12. Sugarcane Motion Pictures Private Limited 13. Supriya Tax Trade Private Limited and 14. Wow Wow Productions Private Limited *Partnerships:* 1. Print & Graphics *Trusts:* 1. Dr. Snehmoy Chatterjee Educational Foundation
Suchhanda Chatterjee	Whole-time Director (Promoter Director)	46	B.A.	12+	*Other directorships:* 1. Havik Exports Private Limited 2. Mainland China Restaurants India Private Limited 3. Mainland Restaurants Private Limited 4. Prahari Housing Private Limited 5. Prosperous Promotors Private Limited 6. Quik Service Restaurants Private Limited 7. Shruthi Hotels Enterprises Private Limited 8. Situations Advertising & Marketing Services Private Limited and 9. Supriya Tax Trade Private Limited
Indranil Ananda Chatterjee	Whole-time Director	51	B. COM and P. G. diploma in business management	28+	*Other directorships:* 1. Havik Leasing & Financial Services Pvt. Ltd 2. Span Promotions Pvt. Ltd and 3. Speciality Hotels India Pvt. Ltd *Partnerships:* 1. Print & Graphics
Susim Mukul Datta	Chairman and non-executive, Independent Director	75	P. G. in science and technology, chartered engineer, fellow of The Institute of Engineers (India), fellow of The Indian Institute of Chemical Engineers and honorary fellow of All India Management Association.	50+	*Other directorships:* 1. Ambit Holdings Private Limited 2. Atul Limited 3. Bhoruka Power Corporation Limited 4. Castrol India Limited 5. Chandras Chemical Enterprises Private Limited 6. Door Sabha Nigam Limited 7. IL&FS Investment Managers Limited 8. Kansai Nerolac Paints Limited 9. Peerless General Finance and Investment Company Limited 10. Peerless Hotels Limited 11. Philips Electronics India Limited 12. Rabo India Finance Limited 13. Reach (Cargo Movers) Private Limited

Name	Designation	Age	Qualification	Yrs of Experience	Directorships / partnership in other entities
					14. Tata Trustee Company Limited; 15. Transport Corporation of India Limited and 16. Zodiac Clothing Company Limited
Tara Sankar Bhattacharya	Non-executive, Independent Director	64	Master's in physics and a diploma in management studies. Associate of the Saha Institute of Nuclear Physics	41+	*Other directorships:* 1. Amartex Industries Limited 2. Abhijeet Power Limited 3. IDFC Securities Limited 4. JSL Stainless Limited 5. Surya Roshini Limited and 6. Sayaji Hotels Limited
Jyotin Mehta	Non-executive, Independent Director	54	B.COM, F.C.A, F.C.S, F.I.C.W.A	28+	*Other directorships:* 1. BOC India Ltd
Dushyant Rajnikant Mehta	Non-executive, Independent Director	56	Master's in business administration	30+	*Other directorships:* 1. Quadrum Solutions Pvt. Ltd and 2. Repro India Ltd
Vishal Satinder Sood	Non-executive, Non-Independent Director and Nominee Director	40	Bachelor's in computer science and P.G diploma in management	15+	*Other directorships:* 1. SAIF Advisors Private Limited 2. Manpasand Beverages Private Limited 3. Catmoss Retail Private Limited and 4. Pennar Industries Limited

Source: Company

Our Capabilities
Making Markets Function Better

Economy and Industry Research

- Largest team of economy and industry research analysts in India
- Coverage on 70 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks
- 90 per cent of India's commercial banks use our industry research for credit decisions
- Special coverage on key growth sectors including real estate, infrastructure, logistics, and financial services
- Inputs to India's leading corporates in market sizing, demand forecasting, and project feasibility
- Published the first India-focused report on Ultra High Net-worth Individuals
- All opinions and forecasts reviewed by a highly qualified panel with over 200 years of cumulative experience
- Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 100 companies
- Released company reports on all 1,401 companies listed and traded on the National Stock Exchange; a global first for any stock exchange
- First research house to release exchange-commissioned equity research reports in India
- Assigned the first IPO grade in India

Funds and Fixed Income Research

- Largest and most comprehensive database on India's debt market, covering more than 14,000 securities
- Largest provider of fixed income valuations in India
- Value more than Rs.33 trillion (USD 650 billion) of Indian debt securities, comprising 85 per cent of outstanding securities
- Sole provider of fixed income and hybrid indices to mutual funds and insurance companies; we maintain 12 standard indices and over 80 customised indices
- Ranking of Indian mutual fund schemes covering 73 per cent of assets under management and Rs.5 trillion (USD100 billion) by value
- Retained by India's Employees' Provident Fund Organisation, the world's largest retirement scheme
- covering over 50 million individuals, for selecting fund managers and monitoring their performance

Equity and Company Research

- Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 100 companies
- Released company reports on all 1,401 companies listed and traded on the National Stock Exchange; a global first for any stock exchange
- First research house to release exchange-commissioned equity research reports in India
- Assigned the first IPO grade in India

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