



HORIZON MANAGEMENT PRIVATE LIMITED

October 20, 2022

To,
The Board of Directors
Speciality Restaurants Limited
 'Uniworth House', 3A Gurusaday Road
 Kolkata, West Bengal - 700019.

Dear Sir,

Sub: Fairness Opinion on the Valuation Report issued by Ms. Madhumita Karar, registered Valuer for the demerger of the Non Core Assets of Speciality Restaurants Limited into the wholly owned subsidiary Speciality Hotels India Private Limited

This is in accordance with the terms of our engagement, wherein Horizon Management Private Limited ("Horizon"/ "We"), a SEBI registered Category I Merchant Banker (SEBI registration no. INM000012926) has been appointed by Speciality Restaurants Limited ("SRL") to provide a fairness opinion on the Report given by Ms. Madhumita Karar, Chartered Accountant and Registered valuer on the share entitlement ratio for the proposed demerger as mentioned above.

This report is being issued in terms of SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December, 2020 for the proposed scheme of arrangement under sections 230 to 232 and other relevant provisions of the Companies Act, 2013. This Report sets out Horizon's opinion on the share entitlement ratio as determined in the valuation report for the proposed transaction.

All the terms mentioned here shall have the meaning as ascribed in the Report.

This letter forms an integral part of the Report.

Yours faithfully,

For Horizon Management Private Limited




Pankaj Harlalka
 COO

Enclosed : As above

CERTIFIED TRUE COPY

For Speciality Restaurants Limited


Avinash Kumbhakar
 Company Secretary and Legal Head



Fairness Opinion

On the Valuation Report

Issued by

Ms. Madhumita Karar, Registered Valuer

For the Demerger of the Non-Core Assets of

SPECIALITY RESTAURANTS LIMITED

into

SPECIALITY HOTELS INDIA PRIVATE LIMITED

MERCHANT BANKERS' REPORT

October 20, 2022

Horizon Management Private Limited

19, R. N Mukherjee Road , 2nd Floor

Main Building

Kolkata – 700 001





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1. INTRODUCTION

SPECIALITY RESTAURANTS LIMITED ("SRL" or the "Demerged Company") is currently engaged in the business of running restaurants and bars. Equity shares of SRL are listed on the BSE Limited and the National Stock Exchange of India Limited, Stock Exchanges in India. The said businesses are carried out by the Demerged Company either directly or indirectly.

Speciality Hotels India Private Limited ("SHIPL" or 'Resulting Company') was incorporated on 04th February 1997, under the Companies Act 1956 with the Registrar of Companies, Mumbai, Maharashtra. SHIPL is a Private Limited Company bearing CIN: U55100MH1997PTC105663. The Registered Office of the Resulting Company is situated at 3rd Floor, Hari Om Chambers, Veera Industrial Estate, New Link Road, Andheri (W) Mumbai MH 400053. The main object of SHIPL is to engage in the business of running resorts, hotels/restaurants and lodging houses. Resulting Company is a wholly owned subsidiary company of Demerged Company. The equity shares of the Company are not listed on any Stock Exchange.

As a measure of business reorganization, the Board of Directors of Speciality Restaurants Limited and Speciality Hotels India Private Limited are considering demerger of "Non Core Assets Land Parcel of SRL" (hereinafter referred to as "Demerged Undertaking") into SHIPL under a Scheme of Arrangement ("Scheme") under sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

Under the Scheme, the consideration of the arrangement is to be settled by Resulting Company to the Demerged Company by issue of fully paid up equity shares of face value of Rs.100 each of the Resulting Company. The shares will be issued based on the fair value of SHIPL and value of parcel of land which is non core asset of SRL.

The Demerged Company has a leasehold land bearing Plot No. F/101 measuring 0.960 acres (Revenue Plot No.44(P), Khata No.612 (HAL)/472 (SABIK), Mouza Chandrasekharapur, Tahasil Bhubaneswar, Dist-Khurda, Orissa which is lying idle and unutilized since allotment and as per terms of the lease. Demerged Company had to complete the construction and commence the business within the time prescribed therein but due some reasons could not commence the business, hence categorized the same as Surplus/Non-Core assets.

The Board of Directors of the Demerged Company based on the decisions to hive-off of the Leasehold Land/Non-Core assets separately and exclude it from the process of strategic disinvestment has agreed to demerge the lease hold land into the Resulting Company. It is proposed to segregate the business of development of leasehold land into Resulting Company to exploit growth potential of the land.

Such Scheme of Arrangement will result in providing flexibility to the Demerged Company to develop the leasehold land and thereby to unlock value. The proposed Corporate Restructuring mechanism by way of scheme under the provisions of the Act is beneficial,





advantageous and not prejudicial to the interests of the Shareholders, creditors, general public at large and other stakeholders of the companies involved.

The share entitlement ratio for the proposed demerger has been decided based on a valuation report issued by Ms Madhumita Karar, Registered Valuer, IBBI/RV/06/2018/10341 (the "Valuer"). The report issued by the valuer provides share entitlement ratio for the proposed demerger of the Demerged Undertaking comprising of Non Core Asset Land parcel of SRL into SHIPL.

For the purpose of ascertaining the fairness of the valuation with respect to the proposed demerger of the Non Core Asset land Parcel of SRL into SHIPL, Horizon Management Private Limited ("Horizon") has been appointed as an independent Merchant Banker for furnishing a fairness opinion on the valuation done by the Valuer.

2. PURPOSE OF FAIRNESS OPINION

As per SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 in relation to schemes of arrangement by listed entities, the companies going through any arrangement/amalgamation/ reconstruction etc. are required to obtain a "Fairness Opinion" from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuer.

Our Fairness Opinion is limited to the share entitlement ratio proposed for the demerger of the Non Core Asset land parcel of SRL into SHIPL as per the mentioned Scheme.

3. LEGAL DISCLAIMER

We have been requested to issue a Fairness Opinion Report on the Report given by Ms Madhumita Karar, Registered Valuer , IBBI/RV/06/2018/10341 on the share entitlement ratio for the proposed demerger. In preparing this Fairness Opinion Report, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information provided to us.

In furnishing this Report, we reserve the right to amend or replace the Report at any time. Our views are necessarily based on economic, market, and other conditions currently in effect, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise, or reaffirm the views expressed in the Report. Nothing contained within the Report is or should be relied upon as a promise or representation as to the future.

The Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.





This report does not look into the business/ commercial reasons behind the transaction nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to expressing opinion on the fairness of share entitlement ratio only.

We owe responsibility only to the management of Speciality Restaurants Limited, who have appointed us, and nobody else.

The fee for the Engagement is not contingent upon the results reported.

Neither the report nor its contents may be referred to or quoted in any registration, statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of demerger.

4. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION

We have prepared the Fairness Opinion Report on the basis of the following information provided to us:

- Draft scheme of Arrangement
- Valuation Report dated October 20, 2022 issued by Ms. Madhumita Karar, Registered Valuer on the share entitlement ratio
- Audited Financial Statement of SHIPL and SRL for the financial year ended March 31, 2022
- Audited Financial Statement of SHIPL and Unaudited Financial Statement of SRL for the period ended 30th September, 2022
- Lease Deed dated November 2, 2015
- Other data collated by us from publicly available sources.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives and representatives of the companies.

5. BRIEF BACKGROUND OF THE COMPANIES UNDER REFERENCE

Speciality Restaurants Limited

Speciality Restaurants Limited ('SRL' or 'Demerged Company') was incorporated on 1st December 1999, under the Companies Act 1956 with the Registrar of Companies, Kolkata, West Bengal. SRL is a Listed Company bearing CIN: L55101WB1999PLC090672. The Registered Office of the Demerged Company is situated at 'Uniworth House', 3A Gurusaday Road Kolkata, West Bengal - 700019. SRL is engaged in the business of running restaurants





and bars. Equity shares of SRL are listed on the BSE Limited and the National Stock Exchange of India Limited, Stock Exchanges in India.

Brief of the Non Core Asset land parcel of Demerged Undertaking

Surplus/Non-core assets shall mean the leasehold land located on Plot No. F/101 measuring 0.960 acres (Revenue Plot No.44(P), Khata No.612 (HAL)/472 (SABIK), Mouza Chandrasekharapur, Tahasil Bhubaneswar, Dist-Khurda, Orissa being allotted to the Speciality Restaurants Limited for setting up separate business of 'food park' & as described in Schedule 1 in Scheme of Arrangement for Demerger. It shall also include all the rights, title, interest and /or liabilities, if any, of the Demerged Company in relation thereto. Without prejudice and limitation to the generality of the above, the Identified Surplus/Non-core Assets shall mean and include:

- i. All rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the pieces and parcels of land.
- ii. Litigations, claims and disputes pertaining to the Identified Surplus/Non-Core Assets; and
- iii. All benefits and obligations under the contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of any nature.

Speciality Hotels India Private Limited

Speciality Hotels India Private Limited ('SHIPL' or 'Resulting Company') was incorporated on 04th February 1997, under the Companies Act 1956 with the Registrar of Companies, Mumbai, Maharashtra. SHIPL is a Private Limited Company bearing CIN: U55100MH1997PTC105663. The Registered Office of the Resulting Company is situated at 3rd Floor, Hari Om Chambers, Veera Industrial Estate, New Link Road, Andheri (W) Mumbai MH 400053. The main object of SHIPL is to engage in the business of running resorts, hotels/restaurants and lodging houses. Resulting Company is a wholly owned subsidiary company of Demerged Company. The equity shares of the Company are not listed on any Stock Exchange.

6. VALUATION TECHNIQUES ADOPTED BY THE VALUER TO ASCERTAIN THE EXCHANGE RATIO

The Valuer has arrived at the share entitlement ratio considering the following valuation methodologies:

Net Asset Value Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This methodology is likely to be appropriate for business which derives value mainly from the underlying value of its assets rather than its earnings. This method may also be appropriate for a business that is not making an adequate return on assets and for which a greater value can be realized by liquidating the business and selling its assets. Determining





Real Value of Assets and Liabilities appearing in Books of Accounts and Market value / Replacement value of Assets would reflect true value of the Asset base of the Company.

The Valuer has adopted the Net Asset Value Method for the valuation of SHIPL and also for valuation of the Demerged Non Core Land Parcel of SRL.

7. SHARE ENTITLEMENT RATIO RECOMMENDED

Based on a relative valuation of the equity shares of SHIPL and Non Core Asset land parcel of SRL arrived from the aforesaid valuation methods, the Valuer has recommended the following Share Entitlement Ratio:

SHARE ENTITLEMENT RATIO *"For every 1 Equity Shares of Face and paid up value of Rs 10 of Speciality Restaurants Limited, 0.0028002336 shares of Speciality Hotels India Private Limited of face value of Rs 100 each is to be issued to Speciality Restaurants Limited"*

8. OPINION ON EXCHANGE RATIO

Based on the information, material and data made available to us, including the Report of the Valuer and the working thereto, in our opinion the said Share Entitlement Ratio recommended for the demerger of Non Core Land Parcel of SRL into SHIPL is fair and proper.

For Horizon Management Private Limited




Pankaj Harlalka
COO

