



**SPECIALITY  
RESTAURANTS LIMITED**

CIN: L55101WB1999PLC090672 Email : corporate@speciality.co.in  
Morya Land Mark - 1, 4th Floor, B-25, Veera Industrial Estate, Off New Link Road, Andheri (W), Mumbai 400 053  
Tel. No. (022) 62686700 Website-www.speciality.co.in

**REPORT OF THE AUDIT COMMITTEE OF SPECIALITY RESTAURANTS LIMITED ('COMPANY') RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SPECIALITY RESTAURANTS LIMITED AND SPECIALITY HOTELS INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS PURSUANT TO SECTION 230 TO 232 OF THE COMPANIES ACT 2013.**

**MEMBERS OF THE AUDIT COMMITTEE**

Sl. No	Name	Category	Position Held
1	Ullal R. Bhat	Non-Executive - Independent Director	Chairperson
2	Anjan Chatterjee	Executive Director	Member
3	Dushyant Mehta	Non-Executive - Independent Director	Member
4	Rakesh Pandey	Non-Executive - Independent Director	Member

**MEMBERS PRESENT IN THE AUDIT COMMITTEE MEETING HELD ON OCTOBER 20, 2022**

Sl. No	Name	Category	Position Held
1	Ullal R. Bhat	Non-Executive - Independent Director	Chairperson
2	Dushyant Mehta	Non-Executive - Independent Director	Member
3	Rakesh Pandey	Non-Executive - Independent Director	Member

The members of the Audit Committee at their meeting held on October 20, 2022 reviewed the Scheme of Arrangement between Speciality Restaurants Limited and Speciality Hotels India Private Limited and their respective shareholders and creditors (Scheme) Pursuant to Section 230 to 232 of the Companies Act 2013, placed before the meeting of Audit Committee, together with the Share Entitlement Ratio report dated 19.10.2022 of the Registered Valuer Ms. Madhumita Karar, Partner at KGRS & Co. Chartered Accountants, IBBI Registered Valuer- Securities & Financial Instruments Insolvency Professional and Fairness Opinion dated 20.10.2022 from Horizon Management Private Limited (SEBI registered Category I Merchant Banker).

Registered Office: 'Uniworth House' 3A, Gurusaday Road, Kolkata - 700019.





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The members of the Audit Committee noted that as per Para A(2)(c) of the SEBI Circular dated 23-11-2021, the Audit Committee is required to recommend the draft scheme taking into consideration, inter alia, the valuation report and fairness opinion report.

After consideration of the aforesaid documents i.e., draft Scheme, Share Entitlement Ratio report of the Registered Valuer Ms. Madhumita Karar, Partner at KGRS & Co. Chartered Accountants, IBBI Registered Valuer- Securities & Financial Instruments Insolvency Professional and Fairness Opinion from Horizon Management Private Limited (SEBI registered Category I Merchant Banker), as placed before the Committee and after seeking necessary explanations of the management on the draft scheme of arrangement, the Committee hereby reports that :

- Need for the demerger

The Audit Committee of Speciality Restaurants Limited ('Demerged Company' 'SRL') has agreed, based on the decisions, to hive-off of the Leasehold Land for setting up of separate business of 'food park' which is identified as Surplus / Non-Core assets. In order to achieve the above objectives, leasehold land / Non-core assets are being demerged into Speciality Hotels India Private Limited ('SHIPL' 'Resulting Company').

The demerger of leasehold land is recommended into Resulting Company to exploit growth potential of the land.

This Scheme will result in providing flexibility to SRL to develop the leasehold land and thereby unlock the value.

- Rationale of the scheme

The SRL ('Demerged Company') has a leasehold land bearing Plot No. F/101 admeasuring 0.960 acre in industrial area at Chandaka within the village limit of Chandrasekharapur, Bhubaneswar Tahasil, Dist. Khurda, Orissa which is lying idle and unutilized since allotment and as per terms of the lease, SRL has to complete the construction and commence the business within the time prescribed therein but due to some reasons SRL could not commence the business, hence categorized the same as Surplus/Non-Core assets.

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- Synergies of business of the entities involved in the scheme

The Wholly Owned Subsidiary does not have any business activity as on date. It is only after this demerger of the leasehold land, activities of development of the land is being contemplated.

- Impact of the scheme on the shareholders

Value unlocking post development of the land to benefit the shareholders.

- Cost benefit analysis of the scheme

Leasehold land for specific purpose is being demerged at written down value.

The Audit Committee recommends the Draft Scheme of Arrangement for favorable consideration by the Stock Exchanges and Securities and Exchange Board of India.

By order of the Audit Committee  
For Speciality Restaurants Limited

ULLAL  
RAVINDRA BHAT

Digitally signed by ULLAL  
RAVINDRA BHAT  
Date: 2022.10.21 11:04:06 +05'30'

Ullal R. Bhat  
DIN: 00008425  
Designation: Independent Director and Chairman of Audit Committee

**CERTIFIED TRUE COPY**

**For Speciality Restaurants Limited**

  
**Avinash Kinhiak**  
**Company Secretary and Legal Head**

Registered Office: 'Uniworth House' 3A, Gurusaday Road, Kolkata - 700019.