

Limited Review Report on Unaudited Quarterly Consolidated Financial Results of Speciality Restaurants Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of
Speciality Restaurants Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Speciality Restaurants Limited** (“the Holding Company”), its subsidiaries (the Holding Company and its Subsidiaries together referred to as “ the Group”) and its share of net loss after tax and total comprehensive loss in the joint venture for the quarter ended June 30, 2021 (the “Statement”) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
2. This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under section 133 of the Companies Act 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations Our responsibility is to issue a report based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulation, to the extent applicable
4. The Statement includes result of the following entities:
 - a. Speciality Hospitality UK Limited (Subsidiary-UK)
 - b. Caterland Hospitality Limited (Joint venture of subsidiary-UK)
 - c. Speciality Hospitality US Inc (Subsidiary-US).
 - d. Foodland Ventures LLC (Joint venture of subsidiary-US).
 - e. Mainland China Restaurant and Indigrill Restaurant LLC (Joint venture of the Holding Company).



Singhi & Co.

Chartered Accountants

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5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable Accounting Standards ('IND AS') prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material mis-statement.
7. **Emphasis of Matter**
We draw attention to Note 4 to the Consolidated Financial Results in which the Group describes the uncertainties arising from the COVID 19 pandemic. Our conclusion on the Statement is not modified in respect of this matter.
8. The Statement includes the interim financial information/ financial results of 2 subsidiaries which are located outside India which have not been reviewed/ audited, and have been approved and furnished to us by the management, whose financial information reflects total revenue of Nil, total net loss after tax of Rs. 0.01 lakhs and total comprehensive loss of Rs 0.01 lakhs for the quarter ended June 30,2021, before giving effect to the consolidation adjustments, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 4.21 lakhs and total comprehensive loss of Rs. 4.21 lakhs for the quarter ended June 30, 2021 as considered in the statement, in respect of 3 joint venture companies of the Holding Company/ wholly owned subsidiaries located outside India, based on its interim financial information/ financial results which have not been reviewed/audited, and have been approved and furnished to us by the management. According to the information and explanations given to us by the Management, these financial information/financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E



Milind Agal
Partner

Membership No. 123314
UDIN: 21123314AAAABU5734

Place: Mumbai
Date: August 14, 2021

KOLKATA (HO)

NEW DELHI

CHENNAI

MUMBAI

BANGALORE

SPECIALITY RESTAURANTS LIMITED

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Statement of Consolidated Unaudited Financial Results for the Quarter Ended 30th June 2021

Sr. No.	Particulars	₹ in Lakhs (Except per share data)			
		Quarter Ended		Year Ended	
		30.06.2021 (Unaudited)	31.03.2021 (Audited) Note 7	30.06.2020 (Unaudited)	31.03.2021 (Audited)
1	Revenue from operations	3,043	6,542	827	15,014
2	Other Income	195	975	269	1,680
3	Total Revenue	3,238	7,517	1,096	16,694
4	Expenses				
	(a) Cost of food and beverages consumed	893	1,964	275	4,520
	(b) Employee benefits expense	687	1,295	515	3,383
	(c) Finance costs	357	403	305	1,650
	(d) Depreciation/amortisation/impairment	700	800	664	3,224
	(e) Lease rent	240	341	551	1,981
	(f) Other expenses	1,214	1,851	750	5,275
	Total Expenses	4,091	6,654	3,060	20,033
5	Profit/(Loss) before exceptional items & tax (3 - 4)	(853)	863	(1,964)	(3,339)
6	Exceptional Gain/(Loss) (Refer Note no. 5)	-	-	-	436
7	Profit/(Loss) before Share of Joint Venture & tax (5 - 6)	(853)	863	(1,964)	(2,903)
8	Share of Profit/(Loss) in Joint Venture Company	(4)	(3)	(3)	(14)
9	Profit/(Loss) before & tax (7 - 8)	(857)	860	(1,967)	(2,917)
10	Tax expense				
	a) Current tax	-	-	-	-
	b) Deferred tax	-	-	-	-
	c) (Excess)/Short provision for tax relating to prior years	-	17	-	17
		-	17	-	17
11	Profit/(Loss) after tax (9 - 10)	(857)	843	(1,967)	(2,934)
12	Other comprehensive income (OCI) (Net of tax)				
	Items that will not be reclassified to profit or loss	10	70	(49)	26
	Items that will be reclassified to profit or loss	36	(3)	(9)	60
13	Total comprehensive income (11 - 12)	(811)	910	(2,025)	(2,848)
14	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,696	4,696	4,696	4,696
15	Other Equity	-	-	-	8,837
16	Earnings per equity share (of ₹ 10/- each) (not annualised for quarters)				
	(a) Basic	(1.83)	1.80	(4.19)	(6.25)
	(b) Diluted	(1.83)	1.80	(4.19)	(6.25)
	See accompanying notes to the financial results				



Notes:

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th August, 2021. Review as required under regulation 33 of SEBI (Listing obligation and disclosure requirement) regulations, 2015 has been carried out by the statutory auditor of the Company who have issued as unmodified opinion on these results.
- 2 The Company is engaged in the food business, which in the context of Ind AS 108 on Operating Segment, constitutes a single reportable business segment.
- 3 The Company's financial performance for the current quarter and corresponding quarter of the previous year has been impacted by Covid 19 related developments. Increasingly, pandemic related restrictions following the second wave have been imposed starting April, 2021.
- 4 The operations recommenced as permitted by local regulations and as on date most of our restaurants and confectionery stores are operational. Selectively at the local level, various restrictions continue to apply and consequently impact operating performance. Nevertheless, the trajectory of revenues have continued to improve month on month post reopening.

Given the pandemic, the Company has also performed detailed analysis and expects no challenges with respect to recoverability of its assets as of date. Considering evolving impact of the pandemic related developments, we continue to evaluate the possible effects on the operations and financial results of the Company. However, the actual impact of the pandemic may be different from that considered in our assessments.

In lieu of the Covid-19 pandemic, the Company has been in discussion with most of the Landlords for its restaurant and confectionery properties for waiver/discounts on rent and common area maintenance expenses during the lockdown period and also for the period thereafter. The Company has received various concession/rebates from the Landlords with few of them still under discussion, the Company is following a prudent accounting practice and has/will recognize these concessions/rebates in accordance with the applicable accounting standard.

- 5 During the previous year ended 31st March, 2021 some units which were terminated as on 31st March, 2020 recommenced operations post re-negotiation of rentals with the property owners, hence the impairment gain was shown as exceptional item. Relevant details are as under:

Particulars	₹ in Lakhs	
	30 June,2021	31 March,2021
i) Impairment of Property, Plant and Equipment	-	436
ii) Impairment of Right of Use Asset	-	-
iii) Gain on lease modification/ termination	-	-
Total	-	436

- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post- employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 The results of the quarter ended 31st March 2021 are the balancing figure between audited results in respect of full financial year and published year to date results up to third quarter of relevant financial year.
- 8 Previous period / year figures have been regrouped, wherever necessary.



For and on behalf of the Board
For Speciality Restaurants Limited


Indranil Chatterjee
Deputy Managing Director
(DIN : 00200577)

Place: Mumbai
Date: 14th August, 2021