

Independent Auditor’s Review Report on Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors

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 losses in the Joint Venture Companies for the quarter ended September 30, 2020 and year to date from April 1, 2020 to September 30, 2020 (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. Our responsibility is to express a conclusion on the Statement 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 Indgrill Restaurant LLC (Joint venture of the Holding Company).

Singhi & Co.

Chartered Accountants

B2 – 402B, Marathon Innova, 4th Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400013. India

Tel: +91 (0) 22 – 6662 5537/38 E-mail : mumbai@singhico.com Website : www.singhico.com

5. 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.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the applicable India 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. The consolidated unaudited financial results include the interim financial information of 2 subsidiaries which are located outside India which are unaudited and have been approved and furnished to us by the management, whose financial information reflects total assets of Rs 965 lakhs as at September 30, 2020 total revenue of Rs Nil for the quarter and half year ended September 30, 2020, total net profit after tax of Rs Nil for the quarter and half year ended September 30, 2020 respectively and total comprehensive income of Rs Nil for the quarter and half year ended September 30, 2020, and net cash outflow of Rs. Nil for the half year ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also include the Group's share of loss after tax of Rs. 4 lakhs and Rs.7 lakhs and total comprehensive loss of Rs. 4 lakhs and Rs 7 lakhs for the quarter and half year ended 30th September, 2020 respectively as considered in the statement, in respect of a joint venture companies of the Company/ wholly owned subsidiaries located outside India, based on its interim financial information which 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 are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

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



Sukhendra Lodha
Partner

Membership No. 07172
UDIN 20071272AAAABU1771

Place: Mumbai
Date: 12th November, 2020

SPECIALITY RESTAURANTS LIMITED

Registered Office: Uniworth House 3A Gurusaday Road, Kolkata - 700019
 CIN: L55101WB1999PLC090672. Tel No. (91 33) 2283 7964/65/66. Fax No. (91 33) 2280 9282
 Email: corporate@speciality.co.in
 Website: www.speciality.co.in

Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2020

Sr.	Particulars	Rs. in Lakhs (Except per share data)					
		Quarter Ended			Six Months Ended		Year Ended
		30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue from operations	1,964	827	8,850	2,791	17,609	35,779
2	Other Income	124	269	271	393	504	1,027
3	Total Revenue	2,088	1,096	9,121	3,184	18,113	36,806
4	Expenses						
	(a) Cost of materials consumed	545	275	2,812	820	5,562	11,348
	(b) Employee benefits expense	537	515	2,183	1,052	4,289	8,202
	(c) Finance costs	518	305	555	823	1,019	2,115
	(d) Depreciation/amortisation/impairment	942	664	1,536	1,606	3,012	5,749
	(e) Lease rent	392	551	180	943	391	1,206
	(f) Other expenses	1,027	750	2,349	1,777	4,481	9,325
	Total Expenses	3,961	3,060	9,615	7,021	18,754	37,945
5	Profit/(Loss) before exceptional Items, Share of Joint Venture & tax (3 - 4)	(1,873)	(1,964)	(494)	(3,837)	(641)	(1,139)
6	Exceptional Gain/(Loss) (Refer Note no. 5)	436	-	-	436	-	(2,738)
7	Profit/(Loss) before Share of Joint Venture & tax (5 - 6)	(1,437)	(1,964)	(494)	(3,401)	(641)	(3,877)
8	Share of Profit/(Loss) in Joint Venture Company	(4)	(3)	-	(7)	-	(13)
9	Profit/(Loss) before tax (7 - 8)	(1,441)	(1,967)	(494)	(3,408)	(641)	(3,890)
9	Tax expense						
	a) Current tax	-	-	-	-	-	-
	b) Deferred tax	-	-	-	-	-	-
	c) (Excess)/Short provision for tax relating to prior years	-	-	-	-	-	(90)
		-	-	-	-	-	(90)
10	Profit/(Loss) after tax for the period (7 - 8)	(1,441)	(1,967)	(494)	(3,408)	(641)	(3,800)
11	Other comprehensive income/(Loss)						
	Items that will not be reclassified to profit or loss	24	(49)	7	(25)	(40)	(69)
	Items that will be reclassified to profit or loss	20	(9)	-	11	-	28
12	Total comprehensive income for the period (9 - 10)	(1,397)	(2,025)	(487)	(3,424)	(681)	(3,841)
13	Earnings per equity share (of Rs.10/- each) (not annualised for quarters)						
	(a) Basic	(3.07)	(4.19)	(1.05)	(7.26)	(1.36)	(8.09)
	(b) Diluted	(3.07)	(4.19)	(1.05)	(7.26)	(1.36)	(8.09)
	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 12th November, 2020.
- 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 half-year ended has been impacted by Covid 19 related developments. Given the unprecedented circumstances, the results for the current quarter and half-year ended are not comparable with that of the corresponding quarter and half-year ended of the previous year.
- 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 has continued to improve month to month post reopening.

Given the Covid 19 pandemic, the Company has also performed detailed analysis and expects no challenges with respect to recoverability of its assets as of date. Given the ongoing play out of the Covid 19 related developments, we continue to evaluate the possible effects on the financial results of the Company. However, the actual impact of the pandemic may be different from that considered in our assessments.

Consequent to 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 following a prudent accounting practice have/will recognize these concessions/rebates in accordance with the applicable accounting standard.

- 5 The Company had decided to close certain restaurants in previous year due to financial unviability because of Covid -19 pandemic. Due to this the Company had carried out Impairment Testing as per Ind AS 36 of the assets as at 31st March 2020 and has recognized impairment loss under the head Exceptional item. Right of Use Asset and Lease Liability recognized as per Ind AS 116 had been reversed for units closed and the balance is recognized as an Exceptional gain. During the half year ended 30 September, 2020 some units which were terminated as on 31 March, 2020 recommenced operation post re-negotiation with property owner, hence the impairment gain has been shown as exceptional item. Relevant details are as under:

Particulars	Rs. in Lakhs	
	30 September,2020	31 March,2020
i) Impairment of Property, Plant and Equipment	436	(2,545)
ii) Impairment of Right of Use Asset	-	(1,645)
iii) Gain on lease modification/ termination	-	1,452
Total	436	(2,738)

- 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 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: 12 November, 2020

Speciality Restaurants Limited
Statement of Consolidated Cash Flows for the half year ended 30th September 2020

Rs. In Lakhs

Particulars	Notes	For the half year ended 30 September, 2020	For the half year ended 30 September, 2019
Cash flow from Operating Activities			
Loss before tax		(3,408)	(641)
Adjustments for:			
Depreciation, amortisation and impairment - property plant and equipment		201	1,024
Depreciation - right of use asset		969	1,829
Depreciation - Right Of Use - Deferred Rent		-	159
Gain on sale of property, plant and equipment (net)		68	(1)
Gain/Loss on disposal of right of use asset		(54)	(62)
Profit on sale of investments (net)		(31)	(60)
Gain on fair value of investments (net)		(165)	(166)
Finance costs		823	1,019
Interest income from banks/others		(22)	(30)
Interest on income tax refund		(14)	-
Unwinding effect of security deposits		(103)	(147)
Sundry balances written off		(12)	6
(Income)/expenses recognised in respect of equity-settled shared based payments		-	(15)
Provision for doubtful debts and advances		59	-
Payable on account of gratuity (net)		98	52
Foreign exchange (gain)/loss (net)		-	(1)
Operating Profit before working capital changes		(1,591)	2,966
Adjustments for (increase)/decrease in operating assets:			
Inventories		89	(246)
Trade receivables		(219)	95
Other current financial assets		65	112
Other non-current financial assets		(116)	(380)
Other current assets		(28)	(427)
Other non-current assets		3	28
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		925	919
Other current liabilities		(303)	(174)
Other non-current financial liabilities		8	9
Other current financial liabilities		(22)	-
Non - current provision		(73)	-
Cash generated from operations		(1,262)	2,902
Net income tax (paid)/refund		510	(51)
A. Net cash generated from operating activities (A)		(752)	2,851
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(87)	(1,752)
Proceeds from sale of property, plant and equipment		23	10
Investment in subsidiary company		(1)	-
Investment in commercial paper		501	-
Investment in mutual funds		(869)	847
Proceeds from sale of current investments		1,032	-
Current loans		153	(11)
Non-current loans		232	25
Interest received		22	30
B. Net cash used in Investing Activities (B)		1,008	(851)
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		-	-
Payment of Lease liability		(258)	(2,424)
C. Net cash used in Financing Activities (C)		(258)	(2,424)
Net increase in cash and cash equivalents (A+B+C) = (D)		(2)	(424)
Cash and cash equivalents at the beginning of the year (E)		167	1,099
Cash and cash equivalents at the end of the year (D)+(E)		165	675

