

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
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Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March 2020

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited) Note 5	31.12.2019 (Unaudited)	31.03.2019 (Audited) Note 5	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Revenue from operations	7,541	10,629	8,359	35,779	34,636
2	Other Income (Refer note 3)	290	202	350	996	946
3	Total Revenue	7,831	10,831	8,709	36,775	35,582
4	Expenses					
	(a) Cost of materials consumed	2,463	3,323	2,637	11,348	10,891
	(b) Employee benefits expense	1,765	2,203	2,059	8,202	8,055
	(c) Finance costs (Refer note 3)	520	576	-	2,115	-
	(d) Depreciation/amortisation/impairment (Refer note 3)	1,179	1,558	980	5,749	2,871
	(e) Lease rent (Refer note 3)	571	244	1,589	1,206	6,335
	(f) Other expenses (Refer note 3)	2,383	2,464	2,042	9,323	7,963
	Total Expenses	8,881	10,368	9,307	37,943	36,115
5	Profit/(Loss) before exceptional items & tax (3 - 4)	(1,050)	463	(598)	(1,168)	(533)
6	Exceptional Items (Refer Note no. 4)	2,738	-	-	2,738	-
7	Profit/(Loss) before tax (5 - 6)	(3,788)	463	(598)	(3,906)	(533)
8	Tax expense					
	a) Current tax	-	-	73	-	90
	b) Deferred tax	-	-	-	-	-
	c) (Excess)/Short provision for tax relating to prior years	-	(90)	11	(90)	11
		-	(90)	84	(90)	101
9	Profit/(Loss) after tax for the period (7 - 8)	(3,788)	553	(682)	(3,816)	(634)
10	Other comprehensive income/(Loss) Items that will not be reclassified to profit or loss	(31)	(20)	(8)	(69)	(45)
11	Total comprehensive income for the period (9 - 10)	(3,819)	533	(690)	(3,885)	(679)
12	Earnings per equity share (of ₹ 10/- each) (not annualised for quarters)					
	(a) Basic	(8.07)	1.18	(1.45)	(8.13)	(1.35)
	(b) Diluted	(8.07)	1.18	(1.45)	(8.13)	(1.35)
	See accompanying notes to the financial results					



Notes:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 23rd July, 2020.
- 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.
- Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information. Instead, the cumulative effect of initial application of the standard has been recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019, aggregating to Rs. 1,699.03 lakhs. Consequently in the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from "Lease rent" in previous period to "Depreciation and amortisation expense" for the right of use assets, "Finance cost" for interest accrued on lease liability and GST on Lease Rent to "Other expenses". As a result the "Lease Rent", "Depreciation and amortisation expense", "Finance cost" and "Other expenses" of the current period is not comparable to the earlier periods.

The performance of the current period is not comparable with previous period results. The reconciliation of the above effect on the Statement of Profit and Loss for the quarter and year ended 31 March, 2020 is as under:

Quarter ended 31 March, 2020			
	₹ in Lakhs		
Adjustments to increase / (decrease) in Profit before tax	Quarter ended 31 March, 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Quarter ended 31 March, 2020 as reported
Other Income	290	0	290
Lease Rent	1,755	(1,184)	571
Other expenses	2,165	218	2,383
Depreciation and amortisation expense	563	616	1,179
Finance cost	3	517	520
Exceptional Items	2,544	194	2,738
Profit / (Loss) before tax	(3,427)	(361)	(3,788)

Year ended 31 March, 2020			
	₹ in Lakhs		
Adjustments to increase / (decrease) in Profit before tax	Year ended 31 March, 2020 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Year ended 31 March, 2020 as reported
Other Income	934	(62)	996
Lease Rent	6,722	(5,516)	1,206
Other expenses	8,481	842	9,323
Depreciation and amortisation expense	2,100	3,649	5,749
Finance cost	21	2,094	2,115
Exceptional Items	2,544	194	2,738
Profit / (Loss) before tax	(2,704)	(1,201)	(3,906)

- The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. There has been disruption in regular business operations due to the measures taken to curb the spread of the pandemic. Businesses are being forced to limit their operations for long or indefinite period of time. The restaurant industry has been adversely affected and the Company has assessed the impact of COVID-19 pandemic on its business operations, the carrying amount of its assets, liquidity position, lease/licence fees commitments and profitability.

The Company has already initiated effective steps to reduce its operational fixed costs which include re-negotiation of Rent and CAM charges for the rented properties. Due to uncertainties and impossibilities of business the company has initiated discontinuation of Lease/Leave and Licence arrangements of the premises.

Takeaway and Delivery Sales were resumed during the lockdown period as per the advisory and guidelines by the Central/State Authorities. The Company has considered external and internal information in assessing the impact of COVID - 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

Exceptional item for the quarter and year ended 31st March 2020 resulting from COVID 19 Pandemic i) Impairment of Property Plant and Equipment amounting Rs. 2,544.48 Lakhs, ii) Impairment of Rights of Use Asset amounting Rs. 1,645.41 Lakhs and iii) Gain on disposal of Right Of Use Asset Rs. 1,452.10 Lakhs.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes based on future economic conditions.

- The results of the quarter ended 31st March 2020 and 31st March 2019 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.
- Previous period / year figures have been regrouped, wherever necessary.

For and on behalf of the Board

For Speciality Restaurants Limited



(Handwritten signature)

Anjan Chatterjee
Chairman & Managing Director
(DIN : 00200443)

Place: Mumbai
Date: 23 July, 2020

Particulars	Standalone		Consolidated	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets				
a. Property, plant and equipment	5,456	8,014	5,456	8,014
Depreci Right of use asset	9,982	-	9,982	-
Depreci Capital work-in-progress	3,312	3,498	3,312	3,523
d. Intangible assets	166	187	166	187
Gain on Financial assets				
Gain/Lo i. Investments				
(a) Investment in equity instruments	1,024	396	759	-
(b) Other investments	2	496	2	496
ii. Loans	2,047	3,180	2,047	3,180
iii. Other financial assets	-	-	-	-
f. Other non-current assets	2,648	2,418	2,648	2,418
Total non-current assets	24,637	18,189	24,372	17,818
Current assets				
a. Inventories	738	668	738	668
b. Financial assets				
i. Other investments	6,143	6,321	6,143	6,321
ii. Trade receivables	231	539	231	539
iii. Cash and cash equivalents	144	835	167	1,099
iv. Bank balances other than (iii) above	8	8	8	8
v. Loans	2,042	347	2,042	347
vi. Other financial assets	228	372	394	372
c. Other current assets	790	1,239	792	1,239
Total current assets	10,324	10,329	10,515	10,593
Total Assets	34,961	28,518	34,887	28,411
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	4,696	4,696	4,696	4,696
b. Other equity	11,912	17,511	11,685	17,241
Non - current provision	16,608	22,207	16,381	21,937
Liabilities				
A. Net cash generated from operating activities (A)				
a. Financial Liabilities				
i. Other financial liabilities	11,099	1,097	11,099	1,097
b. Provisions	489	333	489	333
Total non-current liabilities	11,588	1,430	11,588	1,430
Current liabilities				
a. Financial liabilities				
i. Trade payables				
- total outstanding dues of micro enterprises and small enterprises	2	9	2	9
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,398	4,104	3,397	4,149
ii. Other financial liabilities	2,826	223	2,826	223
b. Other current liabilities	539	545	693	662
Total current liabilities	6,765	4,881	6,919	5,043
Total liabilities	18,353	6,311	18,507	6,474
Total Equity and Liabilities	34,961	28,518	34,888	28,411

For and on behalf of the Board

For Speciality Restaurants Limited



Anjan Chatterjee
Chairman & Managing Director
(DIN : 00200443)
Date: 23 July, 2020

Speciality Restaurants Limited
Statement Standalone of Cash Flows

₹ In Lakhs

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Cash flow from Operating Activities			
Loss before tax		(3,906)	(533)
Adjustments for:			
Depreciation, amortisation and impairment - property plant and equipment		4,644	2,871
Depreciation and impairment - right of use asset		5,295	-
Gain on sale of property, plant and equipment (net)		(2)	(2)
Gain/Loss on disposal of right of use asset		(1,514)	-
Profit on sale of investments (net)		(599)	(290)
Gain on fair value of investments (net)		178	(154)
Finance costs		2,115	-
Interest income from banks/others		(72)	(138)
Interest on income tax refund		(15)	(92)
Unwinding effect of security deposits		(365)	23
Sundry balances written off		7	4
(Income)/expenses recognised in respect of equity-settled shared based payments		-	(20)
Lease rent equalisation adjustment		-	8
Provision for doubtful debts and advances		19	372
Payable on account of gratuity (net)		87	-
Foreign exchange (gain)/loss (net)		-	(4)
Operating Profit before working capital changes		5,871	2,042
Adjustments for (increase)/decrease in operating assets:			
Inventories		(69)	36
Trade receivables		289	57
Other current financial assets		144	138
Other non-current financial assets		(1,556)	(416)
Other current assets		360	(63)
Other non-current assets		(12)	(148)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		(720)	(127)
Other current liabilities		(7)	134
Other non-current financial liabilities		(47)	100
Other current financial liabilities		591	-
Non-current provision		69	-
Cash generated from operations		4,913	1,753
Net income tax (paid)/refund		(83)	(83)
A. Net cash generated from operating activities (A)		4,830	1,670
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(1,949)	(1,481)
Proceeds from sale of property, plant and equipment		28	27
Investment in subsidiary company		(628)	(396)
Investment in commercial paper		(7)	(494)
Investment in mutual funds		(6,254)	(12,578)
Proceeds from sale of current investments		7,355	13,421
Current loans		(1,695)	17
Non-current loans		1,133	(9)
Interest received		72	138
B. Net cash used in Investing Activities (B)		(1,945)	(1,354)
C. Cash flow from Financing Activities			
Repayment of long-term borrowings		-	(3)
Payment of Lease liability		(3,575)	-
C. Net cash used in Financing Activities (C)		(3,575)	(3)
Net increase in cash and cash equivalents (A+B+C) = (D)		(690)	313
Cash and cash equivalents at the beginning of the year (E)		835	522
Cash and cash equivalents at the end of the year (D) +(E)		144	835



Singhi & Co.

Chartered Accountants

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Independent Auditor's Report on the Standalone Financial Results of Speciality Restaurants Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Speciality Restaurants Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of **Speciality Restaurants Limited** (the "Company") for the quarter and year ended 31st March 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and total comprehensive loss for the quarter ended 31st March 2020 and for the year ended 31st March 2020 and other financial information of the Company.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 4 to financial results, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management and impairment of assets recognized amounting to Rs 2,544.48 lakhs, net of reversal of lease liability and right of use assets. The consequential impact may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes based on future economic conditions as a result of the COVID-19 pandemic.

Our opinion is not modified in respect of the above matters.

KOLKATTA (HO)

NEW DELHI

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Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/ loss and other comprehensive income/ loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

KOLKATTA (HO)

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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The Statement includes the results for the quarter ended 31st March, 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.
2. Due to COVID-19 related lock-down restrictions, management was able to perform year end physical verification of Inventories, subsequent to the year end. Due to lock-down, we were not able to physically observe the stock verification, which was carried out by management. Consequently, we have performed alternate procedure to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial result.

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

SUKHENDRA Digitally signed by
RA LODHA SUKHENDRA LODHA
Date: 2020.07.23
18:34:19 +05'30'

Sukhendra Lodha
Partner

Membership No. 071272

Place: Mumbai

Date: 23rd July, 2020

UDIN: 20071272AAAABB4733

KOLKATTA (HO)

NEW DELHI

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