

Singhi & Co.

Chartered Accountants

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Lower Parel, Mumbai – 400013. India

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Independent Auditor's Report on the Standalone Annual 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

Opinion

We have audited the accompanying standalone annual financial results of **Speciality Restaurants Limited** (the "Company") for the year ended 31 March 2022 ("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 Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information of the Company for the year ended 31 March 2022.

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") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 on the Statement.

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 and impact on the carrying value of its assets as at 31 March 2022 as assessed by the management. 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 matter.



KOLKATA (HO)

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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 and other comprehensive income of the Company and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian 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 Management and 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.
- 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

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to draw attention in our auditor's report to the related disclosures in the standalone 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.

Materiality is the magnitude of the misstatement in the statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the statement may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the statement.

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

The Statement includes the results for the quarter ended 31 March, 2022 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figure between the audited figures in respect of the full financial year ended on 31 March 2022/ 31 March 2021 and the published unaudited year-to-date figures up to the third quarter of the current and previous financial year respectively, which were subjected to a limited review by us, as required under the Listing Regulations.

The standalone annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges. These results are based on the audited standalone financial statements of the Company for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated 27 May 2022.

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



A handwritten signature in black ink, appearing to read "Milind Agal".

Milind Agal
Partner
Membership No. 123314
UDIN: 22123314AJTFOA8609

Place: Mumbai
Date: 27 May 2022

KOLKATA (HO)

NEW DELHI

CHENNAI

MUMBAI

BANGALORE

SPECIALITY RESTAURANTS LIMITED

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

CIN: L55101WB1999PLC090672. Tel No. (91 33) 2283 7964

Email: corporate@speciality.co.in

Website: www.speciality.co.in

Statement of Standalone Audited Financial Results for the quarter and year ended 31st March 2022

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022 (Audited) Note 7	31.12.2021 (Unaudited)	31.03.2021 (Audited) Note 7	31.03.2022 (Audited)	31.03.2021 (Audited)
1	Revenue from operations	7,178	8,899	6,542	25,293	15,014
2	Other Income	754	157	961	1,362	1,666
3	Total Revenue	7,932	9,056	7,503	26,655	16,680
4	Expenses					
	(a) Cost of food and beverages consumed	2,172	2,679	1,964	7,551	4,520
	(b) Employee benefits expense	1,430	1,423	1,295	4,640	3,383
	(c) Finance costs	362	378	403	1,454	1,650
	(d) Depreciation/amortisation/impairment	734	675	800	2,735	3,224
	(e) Lease rent	327	422	341	1,417	1,981
	(f) Other expenses	2,411	1,986	1,852	7,440	5,275
	Total Expenses	7,436	7,563	6,655	25,237	20,033
5	Profit/(Loss) before exceptional items & tax (3 - 4)	496	1,493	848	1,418	(3,353)
6	Exceptional Gain/(Loss) (Refer Note no. 5)	(66)	-	-	(66)	436
7	Profit/(Loss) before tax (5 - 6)	430	1,493	848	1,352	(2,917)
8	Tax expense					
	a) Current tax	-	-	-	-	-
	b) Deferred tax	-	-	-	-	-
	c) Short provision for tax relating to prior years	-	-	17	-	17
		-	-	17	-	17
9	Profit/(Loss) after tax for the period (7 - 8)	430	1,493	831	1,352	(2,934)
10	Other comprehensive income (OCI) (Net of tax) Items that will not be reclassified to profit or loss	30	89	70	122	26
11	Total comprehensive income for the period (9 - 10)	460	1,582	901	1,474	(2,908)
12	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,696	4,696	4,696	4,696	4,696
13	Other Equity	-	-	-	10,478	9,004
14	Earnings per equity share (of ₹ 10/- each)*					
	(a) Basic	0.92	3.18	1.77	2.88	(6.25)
	(b) Diluted	0.92	3.18	1.77	2.88	(6.25)
	See accompanying notes to the financial results					

*not annualised for quarters



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Notes:

- 1 The above financial statement have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27th May, 2022. Audit 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 an unmodified opinion on these financial statement.

The above Statement has been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended.

- 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 **Given the unprecedented circumstances on account of Covid 19 related developments, the results for the quarter and year ended are not comparable with that of the corresponding quarter and year ended of the previous period.**

As compared to the same period of previous year:

1. Re-imposition of Covid 19 restrictions during January 2022 impacted the business during the current quarter.

2. Rents for the leased premises during the current quarter are now generally as per the original agreement with all concessions withdrawn.

- 4 The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company has used external and internal information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions and based on the current estimates, the carrying value of the assets as at 31st March, 2022 is fully recoverable.

The consequential impact may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes based on future economic conditions as a result of the COVID-19 pandemic.

Consequent to Covid-19 pandemic, the Company has been in discussion with 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 standards.


- 5 During the year 31st March, 2022 exceptional item relates to the impairment of investments of the wholly owned subsidiary Company in USA. 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 an exceptional item. Relevant details are as under:

Particulars	₹ in Lakhs	
	31 Mar,2022	31 March,2021
i) Impairment of Property, Plant and Equipment	-	436
ii) Impairment of Investment	(66)	-
Total	(66)	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 2022 and 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 periods figures have been regrouped/ reclassified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended schedule III of the Companies Act, 2013 effective 1st April, 2021.



For and on behalf of the Board
For Speciality Restaurants Limited


Anjan Chatterjee
Chairman & Managing Director
(DIN : 00200443)

Place: Mumbai
Date: 27th May, 2022

Particulars	Standalone		Consolidated	
	As at	As at 31	As at	As at 31
	31 March, 2022	March, 2021	31 March, 2022	March, 2021
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets				
a. Property, plant and equipment	4,403	5,357	4,403	5,357
b. Right of use asset	9,104	9,622	9,104	9,622
c. Capital work-in-progress	2,825	2,903	2,825	2,905
d. Other intangible assets	114	143	114	143
e. Financial assets				
i. Investments	1,165	1,026	530	894
ii. Loans	154	221	154	221
iii. Other financial assets	2,256	2,081	2,256	2,081
f. Income tax assets (net)	135	174	135	174
g. Other non-current assets	1,484	1,733	1,484	1,733
Total non-current assets	21,640	23,260	21,005	23,130
Current assets				
a. Inventories	524	581	524	581
b. Financial assets				
i. Investments	9,759	6,454	9,759	6,454
ii. Trade receivables	480	317	480	317
iii. Cash and cash equivalents	113	711	180	724
iv. Bank balances other than (iii) above	8	8	8	8
v. Loans	67	-	67	-
vi. Other financial assets	527	1,036	608	1,132
c. Other current assets	922	890	937	904
Total current assets	12,400	9,997	12,563	10,120
Assets classified as held for sale	85	-	85	-
	85	-	85	-
Total Assets	34,125	33,257	33,653	33,250
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	4,696	4,696	4,696	4,696
b. Other equity	10,478	9,004	9,768	8,837
Total equity	15,174	13,700	14,464	13,533
Liabilities				
Non-Current Liabilities				
a. Financial Liabilities				
i. Lease liabilities	11,432	12,011	11,432	12,011
ii. Other financial liabilities	227	210	227	210
b. Provisions	323	610	323	610
Total non-current liabilities	11,982	12,831	11,982	12,831
Current liabilities				
a. Financial liabilities				
i. Lease liabilities	2,444	2,086	2,444	2,086
ii. Trade payables				
- total outstanding dues of micro enterprises and small enterprises	67	2	67	2
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,883	3,253	2,925	3,296
iii. Other financial liabilities	957	942	1,036	942
b. Other current liabilities	286	443	403	560
Total current liabilities	6,637	6,726	6,875	6,886
Liabilities directly associated with assets held for sale	332	-	332	-
	332	-	332	-
Total liabilities	18,951	19,557	19,189	19,717
Total Equity and Liabilities	34,125	33,257	33,653	33,250



For and on behalf of the Board

For Speciality Restaurants Limited

Anjan Chatterjee
Chairman & Managing Director
(DIN : 00200443)
Date: 27th May, 2022



Speciality Restaurants Limited
Statement of Standalone Cash Flows for the year ended 31st March 2022

₹ In Lakhs

Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Cash flow from Operating Activities			
Profit / (Loss) before tax		1,352	(2,917)
Adjustments for:			
Depreciation, amortisation and impairment - property, plant and equipment		1,100	1,304
Depreciation and impairment - right of use asset		1,634	1,920
Exceptional item		66	(436)
Loss on sale of property, plant and equipment (net)		42	74
Gain on lease modification / termination		(211)	(803)
Profit on sale of investments (net)		(214)	(57)
(Gain)/loss on fair value of investments (net)		(174)	(260)
Finance costs		1,455	1,650
Impairment charge on property, plant, equipment		110	(4)
Interest income from banks/others		(2)	(16)
Interest on income tax refund		(46)	-
Dividend on current investments		(6)	(233)
Unwinding effect of security deposits		(279)	104
Sundry balances written off		281	(145)
Sundry balances written back		(392)	-
Provision for doubtful debts and advances		(40)	166
Payable on account of gratuity (net)		138	147
Operating Profit before working capital changes		4,814	494
Adjustments for (increase)/decrease in operating assets:			
Inventories		57	157
Trade receivables		(124)	(253)
Other current financial assets		509	149
Other non-current financial assets		310	240
Current loans		(67)	1,085
Non-current loans		67	(255)
Other current assets		(342)	(164)
Other non-current assets		19	(31)
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		88	1
Other current liabilities		(157)	(96)
Other non-current financial liabilities		17	26
Other current financial liabilities		343	96
Non - current provision		(302)	-
Cash generated from operations		5,232	1,449
Net income tax (paid)/refund		85	541
A. Net cash generated from operating activities (A)		5,317	1,990
B. Cash flow from Investing Activities			
Capital expenditure on property, plant and equipment		(253)	(394)
Proceeds from sale of property, plant and equipment		33	55
Investment in subsidiary company		(205)	-
Proceeds/ (Investment) in current investment other than mutual fund		(2,124)	501
Investment in mutual fund		(3,143)	(1,962)
Proceeds from sale of mutual fund		2,350	1,466
Interest received		2	4
Dividend received		6	-
Bank deposits placed		1	-
B. Net cash used in Investing Activities (B)		(3,333)	(331)
C. Cash flow from Financing Activities			
Payment of Lease liability		(2,582)	(1,092)
C. Net cash used in Financing Activities (C)		(2,582)	(1,092)
Net increase in cash and cash equivalents (A+B+C) = (D)		(598)	567
Cash and cash equivalents at the beginning of the year (E)		711	144
Cash and cash equivalents at the end of the year (D) + (E)		113	711

