

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 statement of standalone financial results of **Speciality Restaurants Limited** (the "Company") for the quarter ended 31 March 2024 and year to date from April 01, 2023 to 31 March 2024 ("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 other comprehensive income and other financial information of the Company for the quarter and year ended 31 March 2024.

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.

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 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, 2024 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 2024/ 31 March 2023 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.

Our opinion is not modified in respect of above matter.

For Singhi & Co.
Chartered Accountants
Firm's Registration No.: 302049E



Milind Agal
Partner

Membership No. 123314
UDIN: 24123314BKBZVI9995

Place: Mumbai
Date: 14 May 2024

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 31 March 2024

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		(Audited) (Note 8)	(Unaudited)	(Audited) (Note 8)	(Audited)	(Audited)
1	Revenue from operations	9,108	10,949	8,751	39,310	37,497
2	Other Income (Refer Note No. 3)	356	663	1,011	1,955	2,374
3	Total Income	9,464	11,612	9,762	41,265	39,871
4	Expenses					
	(a) Cost of food and beverages consumed	2,907	3,345	2,771	12,038	11,399
	(b) Employee benefits expense	2,134	2,269	1,871	8,693	7,319
	(c) Finance costs	340	381	352	1,460	1,391
	(d) Depreciation/amortisation/impairment	1,093	1,034	881	4,103	3,172
	(e) Lease rent	255	434	270	1,455	1,401
	(f) Other expenses	2,514	2,703	2,468	10,359	9,725
	Total Expenses	9,243	10,166	8,613	38,108	34,407
5	Profit before exceptional items & tax (3 - 4)	221	1,446	1,149	3,157	5,464
6	Exceptional items (Refer Note No. 4)	-	-	839	-	759
7	Profit before tax (5 + 6)	221	1,446	1,988	3,157	6,223
8	Tax expense/ (credit)					
	a) Current tax	(281)	(28)	(163)	87	6
	b) Adjustment of tax relating to earlier periods	39	-	-	39	-
	c) Deferred tax (Refer Note No. 7)	299	127	(3,341)	365	(3,341)
		57	99	(3,504)	491	(3,335)
9	Profit after tax for the period (7 - 8)	164	1,347	5,492	2,666	9,558
10	Other comprehensive income (OCI)					
	Items that will not be reclassified to profit or loss:					
	Re-measurement gains/ (losses) on defined benefit	(18)	(2)	1	(43)	9
	Income tax effect (Refer Note No. 7)	5	-	(2)	11	(2)
11	Total comprehensive income for the period (9 + 10)	151	1,345	5,491	2,634	9,565
12	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,810	4,810	4,696	4,810	4,696
13	Other Equity	-	-	-	26,189	23,542
14	Earnings per equity share (of ₹ 10/- each)*					
	(a) Basic	0.34	2.81	11.69	5.58	20.35
	(b) Diluted	0.33	2.73	11.63	5.41	20.24

See accompanying notes to the financial results

*not annualised for quarters

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 14 May 2024. The results for the year ended 31 March 2024, were audited by the statutory auditors of the Company.

The above results 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.



SPECIALITY RESTAURANTS LIMITED
Statement of Standalone Audited Financial Results for the quarter and year ended 31 March 2024

Notes (continued):

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 Other income:

a) During the corresponding quarter ended 31 December 2023 and year ended 31 March 2024, other income includes ₹ 181 lakhs pertaining to write-back of provision for service tax liability no longer required, as the Company has received a discharge certificate from the tax authorities towards full & final settlement of tax dues under section 127 of the Finance Act 2019 read with rule 9 of the SVLDR scheme discharging the Holding Company from payment of any further service tax, interest or penalty with respect of the aforesaid matter.

b) During the quarter ended 31 March 2023 and year ended 31 March 2023, other income includes gain on sale of property developed under Joint Development Agreement amounting to ₹ 664.44 Lakhs.

c) During the year ended 31 March 2023, other income includes an amount of ₹ 767.60 Lakhs received from the Goods and Service Tax Department towards refund of reversal of Cenvat credit under rule 6(3) of Cenvat Credit Rules, 2004 pertaining to the period April, 2016 to June, 2017.

Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
Write-back of provision for service tax liability no longer required	-	181	-	181	-
Gain on sale of property developed under Joint Development Agreement	-	-	664	-	664
Refund of reversal of Cenvat credit under rule 6(3) of Cenvat Credit Rules, 2004	-	-	-	-	768
	-	181	664	181	1,432

4 Exceptional item (quarter ended 31 March 2023: ₹ 839 lakhs; year ended 31 March 2023: ₹ 759 lakhs) as below:

a) During the quarter and year ended 31 March 2023, exceptional items include reversal of impairment charge (net off depreciation/amortisation) taken on account of Covid - 19 pandemic, as the uncertainties with regards to Cash Flows of operating units no longer exists.

i) Right of use asset amounting to ₹ 545 Lakhs.

ii) Property, plant and equipment amounting to ₹ 294 Lakhs.

b) During the year ended 31 March 2023, exceptional items include Impairment of investment in subsidiary company amounting to ₹ 80 Lakhs.

5 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.

6 On 02 February 2023, the Company had allotted 60,00,000 warrants convertible into Equity Shares, each convertible into one equity share of face value of Rs.10/- each, on preferential basis, at an issue price of ₹ 212.05/- each amounting to ₹ 12,723 lakhs. Application money of ₹ 53.02 per warrant equivalent to 25% of the issue price as warrant subscription money, amounting to ₹ 3,181 lakhs was received by the Company and the balance 75% of the issue price of ₹ 159.03 per warrant, amounting to ₹ 9,542 Lakhs was to be received from the warrant holders on or before 31 December 2023 which was further extended to on or before 01 August 2024 as approved in the Board Meeting dated 29 December 2023.

As at 31 March 2024, an amount of ₹ 1,813 lakhs as balance 75% of Warrant Exercise Price for 11,40,000 warrants have been received for conversion, accordingly 11,40,000 equity shares have been allotted by the Company. The balance amount of ₹ 7,729 lakhs with respect to 48,60,000 warrants shall be payable by the warrant holders by the extended date.



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SPECIALITY RESTAURANTS LIMITED

Statement of Standalone Audited Financial Results for the quarter and year ended 31 March 2024

Notes (continued):

- 7 During the year ended 31 March 2023, the Company has earned taxable profits and pursuant to which it was able to recoup its unabsorbed losses / depreciation. Hence, during the year ended 31 March 2023, the Company has recognised net deferred tax assets of ₹ 3,339 lakhs on all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference will be utilized.
- 8 The results of the quarter ended 31 March 2024 and 31 March 2023 are the balancing figure between audited results in respect of full financial year and published year to date results upto third quarter of relevant financial year.
- 9 The Board of Directors of the Company in its meeting held on 14 May 2024 recommended a dividend of ₹ 1.00 per equity share (at the rate of 10% on face value of ₹ 10 per equity share) of the Company for the year ended 31 March 2024 which will be paid, subject to the approval of the shareholders in the annual general meeting of the Company, to those shareholders whose names appear in the register of members as on the date of the book closure.
- 10 Previous periods figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the Board of Speciality Restaurants Limited



Anjanmoy Chatterjee
Chairman & Managing Director
(DIN: 00200443)



Place: Mumbai
Date: 14 May 2024

SPECIALITY RESTAURANTS LIMITED
Standalone Balance Sheet as at 31 March 2024

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
	(Audited)	(Audited)
ASSETS		
Non-current assets		
a. Property, plant and equipment	6,010	5,361
b. Right of use assets	10,190	10,101
c. Capital work-in-progress	3,562	2,751
d. Other intangible assets	100	86
e. Financial assets:		
i. Investments	1,168	1,168
ii. Loans	137	158
iii. Other financial Assets	2,398	2,373
f. Income tax assets (net)	608	467
g. Deferred tax assets (net)	2,985	3,339
h. Other non-current assets	1,348	1,208
Total non-current assets	28,506	27,012
Current assets		
a. Inventories	727	684
b. Financial assets		
i. Investments	16,970	16,456
ii. Trade receivables	774	651
iii. Cash and cash equivalents	309	497
iv. Bank balances other than cash and cash equivalent	5	8
v. Loans	57	60
vi. Other financial assets	737	826
c. Other current assets	1,207	1,562
Total current assets	20,786	20,744
Assets classified as held for sale	438	53
Total assets	49,730	47,809
EQUITY AND LIABILITIES		
Equity		
a. Equity share capital	4,810	4,696
b. Other equity	26,189	23,542
Total equity	30,999	28,238
Liabilities		
Non-current liabilities		
a. Financial liabilities:		
i. Lease Liabilities	10,913	11,272
ii. Other financial liabilities	2	-
b. Provisions	151	373
Total non-current liabilities	11,066	11,645
Current liabilities		
a. Financial liabilities		
i. Lease Liabilities	2,965	2,914
ii. Trade payables		
- total outstanding dues of micro enterprises and small enterprises	57	5
- total outstanding dues of creditors other than micro enterprises and small enterprises	2,454	3,195
iii. Other financial liabilities	1,607	1,332
b. Other current liabilities	383	480
Total current liabilities	7,466	7,926
Liabilities directly associated with assets held for sale	199	-
Total liabilities	18,731	19,571
Total equity and liabilities	49,730	47,809



M. K. W.



SPECIALITY RESTAURANTS LIMITED
Standalone Cash Flow Statement for the year ended 31 March 2024

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
	(Audited)	(Audited)
Cash flow from operating activities		
Profit before tax	3,156	6,223
Adjustments for:		
Depreciation, amortisation and impairment - property, plant and equipment	1,195	1,015
Depreciation and impairment - right of use asset	2,908	2,157
Exceptional (gain)/ loss	-	(759)
Loss/ (Gain) on sale of property, plant and equipment (net)	(9)	(669)
Gain on lease modification / termination	(429)	(15)
Profit on sale of investments (net)	(528)	(59)
(Gain) on fair value of investments (net)	(446)	(502)
Finance costs	1,460	1,391
Impairment charge on property, plant, equipment	38	65
property, plant, equipment written off	33	-
Interest income from banks/others	(45)	-
Interest on income tax refund	(24)	(4)
Dividend on current investments	(18)	(20)
Unwinding effect of security deposits	(181)	(266)
Sundry balances written off	925	43
Sundry balances written back	(71)	(22)
Provision for doubtful debts and advances	(925)	(36)
Payable on account of gratuity (net)	113	101
Deferred Rent amortisation	209	245
Operating profit/loss before working capital changes	7,361	8,888
Adjustments for (increase)/decrease in operating assets:		
Inventories	(44)	(159)
Trade receivables	(123)	(177)
Other financial assets	244	(301)
Loans	24	4
Other Assets	22	(418)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(617)	274
Other liabilities	(97)	194
Other financial liabilities	(113)	131
Provisions	(378)	(42)
Cash generated from operations	6,279	8,394
Net Income tax (paid)/ refund	(243)	(334)
Net cash inflows/used from/in operating activities (A)	6,036	8,060
Cash flow from investing activities		
Capital expenditure on property, plant and equipment	(2,771)	(1,002)
Proceeds from sale of property, plant and equipment	23	26
Advance received for sale of leasehold land (Asset held-for-sale)	199	-
Investment in subsidiary company	-	(83)
Investment in mutual fund	(4,068)	(6,405)
Proceeds from fixed deposits	3	-
Proceeds from sale of current investments	4,526	270
Interest received	45	-
Dividend received	18	20
Net cash inflows/used from/in investing activities (B)	(2,025)	(7,174)
Cash flow from financing activities		
Payment of Lease liability	(4,328)	(4,001)
Dividend Paid	(1,188)	-
Share Warrants issued	1,495	3,499
Expenses incurred in relation to issue of share warrants	(178)	-
Net cash inflows/used from/in financing activities (C)	(4,199)	(502)
Net increase/ (decrease) in cash and cash equivalents (D) = (A+B+C)	(188)	384
Cash and cash equivalents at the beginning of the year (E)	497	113
Cash and cash equivalents at the end of the year (F) = (D+E)	309	497
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise:		
Balances with banks:		
in current accounts	170	434
in Fixed deposit with original maturity of less than 3 months	76	39
Cash on hand	63	24
Total	309	497

