



**SPECIALITY**  
RESTAURANTS LTD.

**ANNUAL  
REPORT**  
2020



**SPECIALITY**  
RESTAURANTS LTD.

**MAKING YOU  
FEEL SPECIAL**

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# OUR MISSION

To consistently provide world-class cuisine and experience at an affordable price. To create a dining experience whose uniqueness lies in elegance and refinement, brought alive by care and personalized service in a warm, vibrant environment, that makes everybody *feel special*.



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## CURTAIN RAISER

As we stepped into the 26th year of our operations it brought in new challenges and together with it new opportunities. Brand refresh of the existing ones, giving birth to new ideas, new creations and new formats all added a new fillip providing a much needed platform for our future growth.

We all know that food is the basic need of every human being and we strive to meet that need in the most satisfying way. More than three thousand two hundred associates at Speciality Restaurants strive to create a special dining experience on the table for all our guests and stake holders, sharing joy and happiness in their lives.

Speciality Restaurants Ltd. as a public entity, is still the largest chain of fine dining restaurants in the country with outlets across India and also beyond our shores in UAE, Bangladesh and Tanzania. Our flagship brand **Mainland China** serves authentic cuisine of Chinese provinces while it's younger offshoot in the form of **Asia Kitchen** and **Gong** serves modern pan-Asian cuisine in a semi-casual dining formats.

The group's power brands include **Oh! Calcutta** serving authentic 300-year-old flavour of Calcutta is one of the most respected and awarded, **Sigree Global Grill** offering unlimited serving of grills of the world over live grillers on each table and **Sweet Bengal** serving authentic Bengali sweets made with pure cow's milk by artisans from Bengal have been the driving force. In its portfolio the group also has a casual dining formats in the form of **Café Mezzuna**, an all-day bar and kitchen and **Hoppipola** as a playful bar and kitchen for the young millennials which lends variety.

The new entrants in this year are in the form of **Riyasat** serving 'contemporary Indian cuisine' while **Episode One**, **UDP (Urban Deccan Pub)**, **HAY** and **BARissh** in the 'fun dining' genre, holds a lot of promise for the future. Serving various high-end spirits prepared by international mixologists along with wide range of quick bites and other value offerings targeted primarily to a younger audience who are redefining the traditional dining.

Other brands of the group are Haka, Flame & Grill, Machaan, Zoodles, Jungle Safari, Dariole (confectionery) which are silent performers and forms a part of our wholesome basket of offerings to guests.

# CHAIRMAN & MANAGING DIRECTOR'S PERSPECTIVE

ANJAN  
CHATTERJEE

CHAIRMAN & MANAGING  
DIRECTOR

Dear Shareholders,

It gives me great pleasure to share with you, your Company's performance for the financial year 2019-20.

The year has been a challenging one – not just for India, but for the world. The unprecedented fallout of the Covid 19 pandemic has had a significant impact on the hospitality industry. Despite this, I remain optimistic primarily because of the judicious measures we have taken to stem the impact of the pandemic.

Your Company continues to place its mission at the heart of the business based on the strong belief that brands with purpose grow; companies with purpose last; and people with purpose thrive.

In the year under review, your company achieved a turnover of over Rs.367 crores, registering a marginal growth of 3.35% as against the previous year. This was achieved despite the headwinds that the economic environment continued to throw up, creating hurdles to unfettered growth. Through this period, your Company retained its strong focus on innovation, by creating novel offerings; by investing in relevant technology to enhance customer experience; through intelligent menu engineering; by renegotiating rentals for increased reduction; and by taking appropriate measures to reduce raw material costs.

Staying responsive to opportunities, even during this period, your Company has signed up for the second restaurant at Dubai with the existing franchisee. This is due to the tremendous response and ensuing demand for Mainland China Asia Kitchen. Additionally, the St Regis Hotel at Doha has signed an operating contract with your Company for the Indian cuisine restaurant – Riyasat.



As you are aware that in the year under review, your company was on track with all its growth plans till the month of February 2020, till the disruption due to the Covid-19 pandemic which began to spread in March 2020. With the hospitality industry among the worst affected especially in the United Kingdom, your company has taken the judicious step of deferring the launch of its first restaurant in London till next year. With the same perspective, your company's expansion plans in the US market have also been placed on hold as of now.

Considering that the impact of the pandemic is likely to be felt for the next several months, your company has been diligently working to reduce all major fixed costs. These include the expenses under all heads that fall within Restaurant operations. This is being done through re-negotiations of Rentals/CAM/AMC and annual contracts of raw material suppliers and relevant parties in order to neutralize the impact.

We have reviewed the existing contracts judiciously, negotiated and sought relief during the lock down period with property owners wherever possible and plan to exit those that do not fit into our scheme of things. Your Company has undertaken a stringent exercise of rationalisation of restaurant operations including change in service design, contactless ordering as well as manpower requirement.

The pandemic has also imposed incremental operating costs on the business. While we foresee impact on the profitability for the FY 20-21; it is difficult to assess the exact quantum at this stage. A redeeming factor is that your Company doesn't have any debt on its book. Hence there is no impact pertaining to debt obligations on the Company.

### **A quick response**

One outcome of the pandemic has been the increase in the trend of deliveries and takeaway services. Recognising this as a long term opportunity, your company responded rapidly. During the lockdown period in keeping with Government directives, some kitchens in select and approved locations were kept in operation for deliveries and takeaway services. Going forward, your company's food delivery and take away operations will remain operational. Additionally, we are in the process of identifying more locations at our existing kitchens/outlets to make them operational. We are also making a foray into the cloud kitchen segment to tap the existing markets to optimise the recall value and brand equity of our various restaurants.

Recognising the potential and having been able to stabilise at the back-end, your Company is also getting into the sale of its proprietary sauces under the brand 'Mainland China' in the B2C segment through e-commerce platform to generate higher volumes and revenues.

Your company has always placed a great emphasis on hygiene and quality. During the pandemic, we have added even more stringent measures to reassure our customers of the quality of the food and the hygiene. This has resulted in your company experiencing higher customer preference due to the unwavering faith and confidence in our established brands. The safety of our employees and customers remains our highest priority. Your Company had already moved to 'work from home' policy for its corporate office, thereby significantly reducing risk to them in this period. In the kitchens, a stringent 'social distancing' policy is being adhered to, keeping all employees safe. Various other proactive measures have been initiated viz. best in class sanitising with Virex treatment everyday through Johnson Diversey, checking temperatures of all staff and tagging all delivery packets with the recordings, frequent hand washing as an SOP etc.

We have seen significant business impact due to multiple lockdowns, restrictions and social distancing norms and the uncertainty of the situation makes it difficult for us to anticipate the extent of the impact. However, we are confident of bouncing back as soon as the external environment returns to normalcy.

Restarting dine-in operations of the restaurants and bars is a decision that is governed by the Central Government and respective State Government directives under the Disaster Management Act with regulatory strictures and guidance. These will be adhered to and hence our schedule for reopening key restaurants is dependent on it.

Thanks to 25 years of unparalleled brand equity, your company is well entrenched in peoples' minds and hearts as delivering quality food and dining experience. With well established brands for takeaway and delivery, your company continues to be in a position of strength to overcome this crisis and capitalise on future growth opportunities.

Staying responsive to the ever blowing winds of change, your Company is adapting strategies to the changing business environment and responding suitably to fulfill the needs of its customers. Keeping our ear close to the ground, we are closely monitoring the external situation and restrictions imposed and phase wise relaxations being granted by the regulatory authorities from time to time.

I would like to take this opportunity to thank each and every stakeholder who has reposed their faith in us, employees, partners, customers and all stakeholders for their commitment and service to Speciality Restaurants. I would also like to thank the Board of Directors for their unstinted support. Most importantly, I would like to thank you, shareholders, for your overwhelming trust, support and confidence in Speciality Restaurants Limited.

Warm Regards,  
Anjan Chatterjee  
(Chairman and Managing Director)



# OUR FOUNDATION, BUILT ON BRANDS

Every brand of ours has created its own niche. They operate and constitute an important aspect of our strategic roadmap over the next several years. Our pre-defined rules and standards have allowed a smooth run for all the franchise and continuing this trend will inch us closer to near and long-term goals and success.

IF IT'S CHINESE, IT'S  
**MAINLAND  
CHINA**

Beyond the Great Wall lies the kingdom of Mainland China, a place where all dreams come true. Today, this flagship brand of Speciality Restaurants has a countrywide presence in the form of 37 outlets across India serving customers with authentic Chinese cuisine. To its credit it has remained one of the most favored and popular Chinese fine dining restaurant chain catering to the Indian taste buds over 26 years.

The overwhelming popularity has taken the brand to international destinations viz. Tanzania and Bangladesh thereby earning a reputation of serving the finest Chinese cuisine suited for the Indian palette outside China, to discerning gourmets all over the world. It enjoys top of the mind brand recall and sustained loyalty of its customers over the years. It has won 'Best Chinese' – Times food and night life awards in all cities over the years.



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# FLAGSHIP BRANDS

**ASIA KITCHEN**  
by  
**MAINLAND CHINA**



This is a refreshed new semi-casual format of the mother brand in a relaxed ambience serving exciting Pan-Asian cuisine from selections of Thai, Japanese, Malaya, Myanmar, Singapore, Hong Kong and of course China.

After receiving tremendous response in Mumbai, Pune, Kolkata, Bangalore and Chennai, the first outlet internationally is in operation at BurJuman Mall in Dubai, UAE. This exciting new format with live kitchen and innovative take on street food is creating ripples in the dining circles and receiving franchise offers internationally.



# Oh! Calcutta

— The Taste of Joy —



Oh! Calcutta, with 9 operating outlets across the country, is an ode, a celebration to the romantic city of Calcutta and its gastronomic delights. Here the cuisine is quintessential Bengali offering a diverse and traditional fare of authentic Bengali cuisine that is reminiscent of Kolkata as it once was. Contemporary yet evocative. Modern yet traditional.

With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengali's looking for their home flavours. It's a resurrection of 300-year-old recipes well researched to give a contemporary expression in the form of grilled and steamed specialties, deftly balancing the traditional

flavours with amalgamation of authentic ingredients and spices to appeal to a global audience. Keeping the elegance and creativity of the cuisine at heart, the brand is constantly pushing the envelope for the newer experiences of traditional flavours. It has won all foodie awards over the years and has now also been recognized as 'Best Regional Cuisine Award' by Eazydiner Foodies.

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## CORE BRANDS

**sigree**  
**GLOBAL GRILL**

Sigree Global Grill has emerged as a popular brand having promoted the concept of live grills in the style of Brazilian Churrascaria or Japanese Hibachi on each table, with display kitchen, interactive cooking with skillful displays by master chefs inspired by changing taste-buds adding vibrancy to the whole ambience.

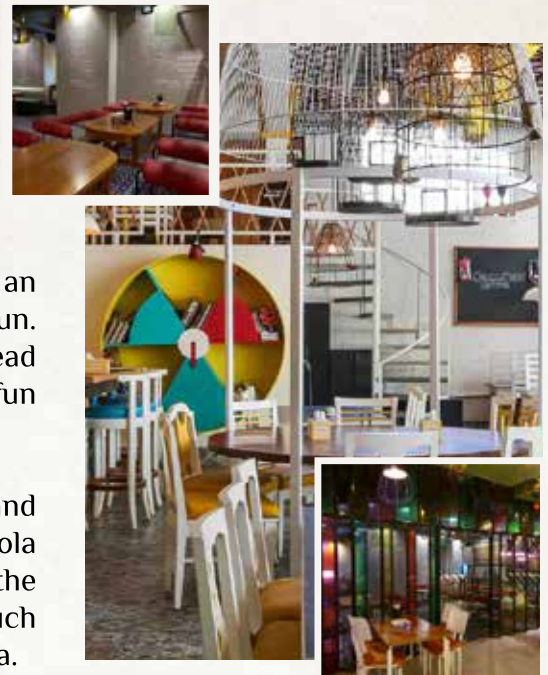
The menu features a mélange of fresh, unlimited grilled flavours from all around the world like Mediterranean, Oriental, Spanish, Mexican and of course Indian Cuisines at all-inclusive attractive price points.





Literally meaning ‘jumping in puddles’ in Icelandic, Hoppipola is an embodiment that you don’t need to be young to have fun. Patrons are encouraged to participate in Beer Pong, Chuggathons, read from a quirky book section, play video and board games among other fun stuff.

Hoppipola offers ample contemporary flavours such as finger food and bar nibbles. Innovative mocktails also add to the funky menu. Hoppipola offers a fun filled experience to the young-at-heart who constitute the majority of a growing market of young and independent diners. So much so that it has now caught the fancy of diners even in far flung Tanzania.



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# POWER BRANDS



## Sweet Bengal

*Heavenly sweets*

It has proved to be the favourite Bengali sweet destination. The sole credit for this goes to the innovative and traditional spread of Bengali Sweets created from pure cow’s milk by

‘karigars’ from West Bengal who literally crafts each and every sweet. With 26 outlets it is the only chain serving authentic Bengali sweets and Bengali snacks in Mumbai and buoyed by the tremendous success the Company has now started expanding and spreading its sweetness in it’s hometown– Kolkata with the opening of 2 outlets as of now.



## CAFÉ MEZZUNA ALL DAY RESTO BAR

Café Mezzuna is an all-day semi casual dining restaurant. It serves Modern European cuisine with selections from Italian, Mediterranean, Moroccan, Spanish, French flavours with a tastefully designed bar menu. Its unanimous admiration made it to win ‘Best Italian in Premium Dine in’ by The Telegraph and ‘Times food and night life awards’ from TOI group.



GONG transports diners to a new level of happiness with its high energy contemporary ambience with a take on traditional Japanese temple architecture and diverse Asian flavours that are prepared using western cooking techniques and presentations. It takes you on a journey through the mysterious culinary traditions of the Far-East.



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## OTHER BRANDS

# HAKA

**Tasty Tasty Chinese**



Devised for the guest on the go, Haka is ideal for those seeking to shop or watch a movie and have a quick bite. Featuring modern Chinese cuisine in small plates including dim sums and quick meal at comfortable prices, typically found on Hong Kong and Shanghai streets.

The contemporary ambience of each Haka restaurant is created with red walls and modern impressionist artwork emphasizing efficiency and functionality in layout.

# sigree

Sigree promises to take diners to that erstwhile era laid-back times of cooking over open 'slow fire', Offering authentic Indian cuisine slow cooked over a charcoal flame with flavours from North Western India using fresh, pure flavours and ingredients. The ambience at 'Sigree' has a unique character with modern Indian décor in bronze and red colours. 'Sigree' has won the coveted 'Rocheston – Distinguished Restaurant' award.



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## OTHER BRANDS

### Flame & grill



With modern and vibrant ambience offering ranging from a vast selection of kebabs seasoned with special spices Flame & Grill offers grilled cuisine from all over the world.

### DARIOLE

Bakery & Confectionery



Dariole is a cosy, affectionate neighbourhood confectionary and café, where the city's best croissants, buns, puffs, wraps, cakes, cookies, pastries and breads are born everyday.



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## NEW BRANDS



# RIYASAT

Royalty Inspired Indian Dining

Infused with 'contemporary' Indian cuisine – Riyasat is a story woven through royal celebrations and victories that is inspired from the stately homes of the royal families of the 19th century. The cuisine is inspired from the North-western frontiers that is vibrant, robust and encompasses the healthier culinary techniques and dining experiences to blend in with the changing time and trends.



It also boasts of crafted beverages curated by mixologists, embracing the past with twists on classics – creating a theatrical mood where you can sit and just immerse into the experience. It has won 'Best Progressive Indian – Casual Dining' award of Times food and night life and 'Best Indian' awarded by The Telegraph.

# NEW BRANDS

## EPISODE ONE



It is a one of its kind experiential bar and dining space in Kolkata and now the recently opened one at Powai, Mumbai. Episode One is a modern day take on the Gymkhanas and Clubs of yesterday, thereby making it a space for the conventional and unconventional people of today – a space meant for everyone.

With state-of-the-art interiors, Episode is divided into 4 experiences – The TAPROOM (the first of its kind in the country), The Library, The Chambers, The Veranda and The Ballroom. Offering a unique and bespoke range of cocktail tanks as well as world cuisine with satisfactory palettes from Indian, Turkish, Continental, Thai & Asian food. Episode One is defined by everything it isn't.



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## NEW BRANDS



A re-discovered bar transformed by the millennial into high energy conversational and drinking space. It has a light-filled and inviting look – a place you can dine at during the day and which turns into your favourite resto-bar in the evening.

HAY comprises comfort food recipes with local twists satisfactory palettes ranging from Indian, Italian, Mexican, Lebanese, Seafood and Tibetan food. The menu has an enjoyable blend of global desi cuisine. The drinks menu is quite expansive wherein the cocktails make use of the freshest of fruits, spices and liqueurs to achieve a perfect harmony of flavours. It has its presence in Begumpet, Hyderabad.







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## NEW BRANDS

# UDP

Urban Deccan Pub

UDP celebrates the soul of Udupi, the warmth of a classic pub and the vibrancy of Bengaluru. The space focuses on simple and familiar gusto that bodes well with its modernized ambience. Surrounded with influences of Deccan flora and fauna and community seating exposed to natural sunlight, UDP also offers very positive day vibe.

Specially curated comfort food inspired from regions of Karnataka, Kerala, Tamil Nadu & Andhra Pradesh, the menu is a mix of classics and innovative dishes adapted for a neighbourhood bar setting. The signature cocktails make use of syrups and shrubs made from fresh South Indian ingredients, thereby providing the right balance of flavors and freshness. Inspired from the filter coffee culture in South India, UDP's Cold Brewtails uses overnight brewed coffee to deliver the right kick of caffeinated cocktails.





BARishh



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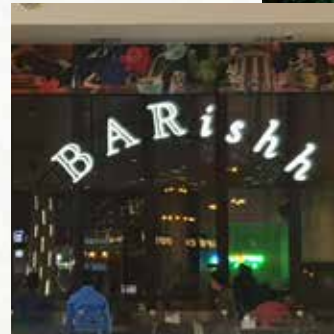
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## NEW BRANDS

A place that is vibrant and chic, with stunning decor, a splash of pop colours that spell youthful and comes a breath of fresh air... celebrate all things millennial with a touch of "ishh". BARishh — the newest brand from the house of Speciality Restaurants — is for all day, any mood. With striking blue walls with large and small butterfly murals, the 120-seater also makes use of elements like soothing green and quirky writings on the wall, giving BARishh a balanced look and feel.

The entire food menu is derived out of Indian ingredients with a western touch to it making global in presentation. Gin has been having its moment for the last couple of years and the moment is only here to stay. Created by international mixologists, highlights of BARishh are not just cocktails but innovative gin infusions featuring on it.

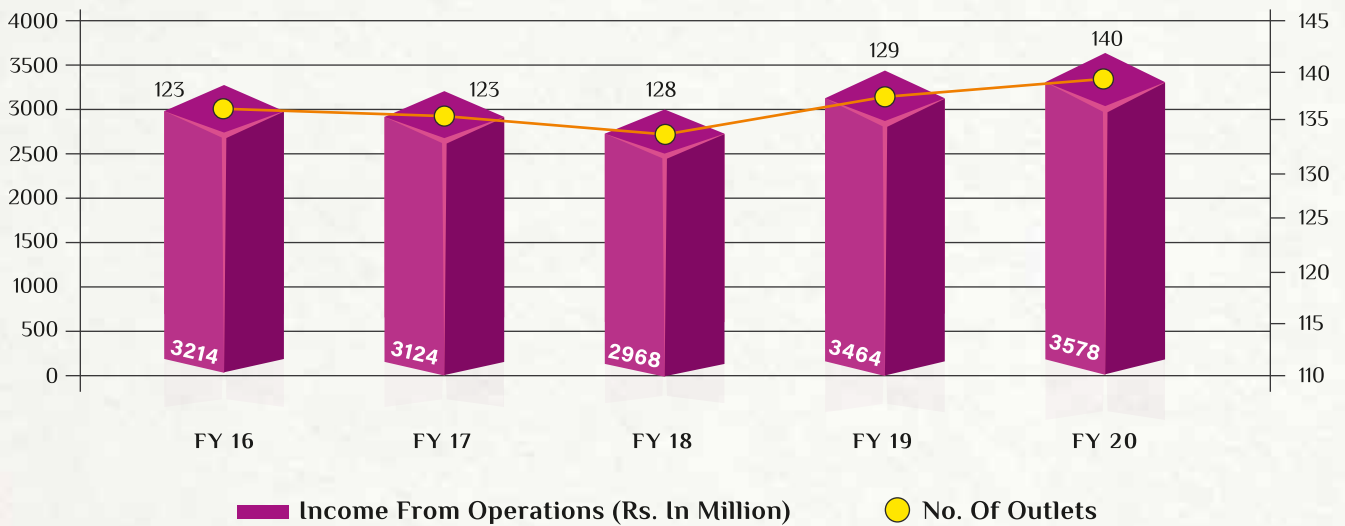
BARishh is for the modern Indian youth who loves living in the grey areas of life where it's very non-committal... a zone we all live in.



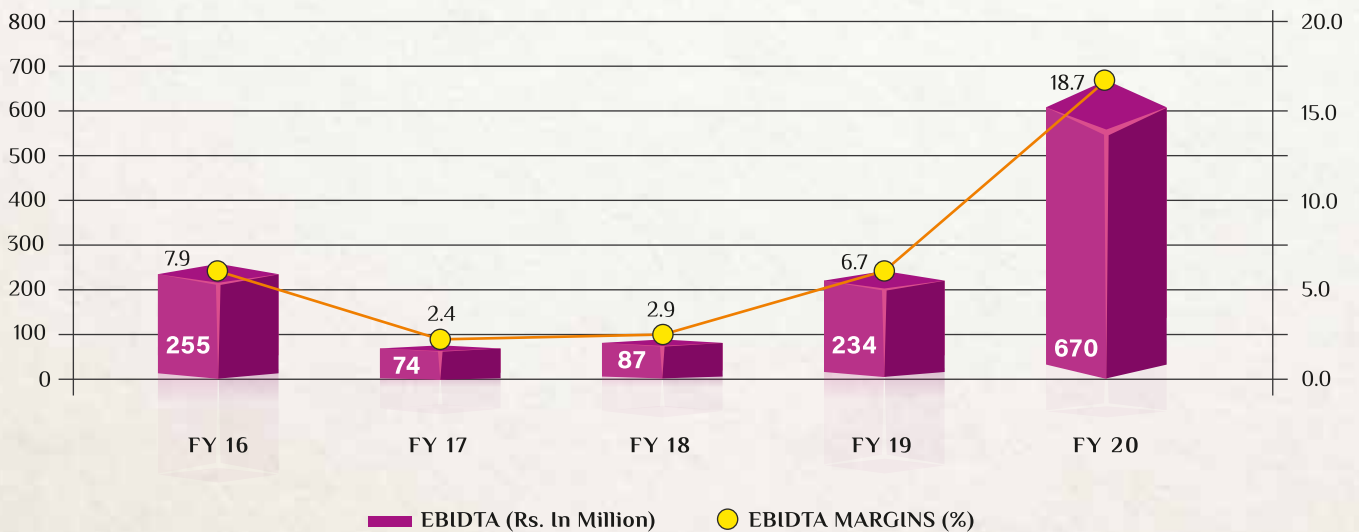


# WHAT THE NUMBER SAY

**Total Income From Operations and Outlets**



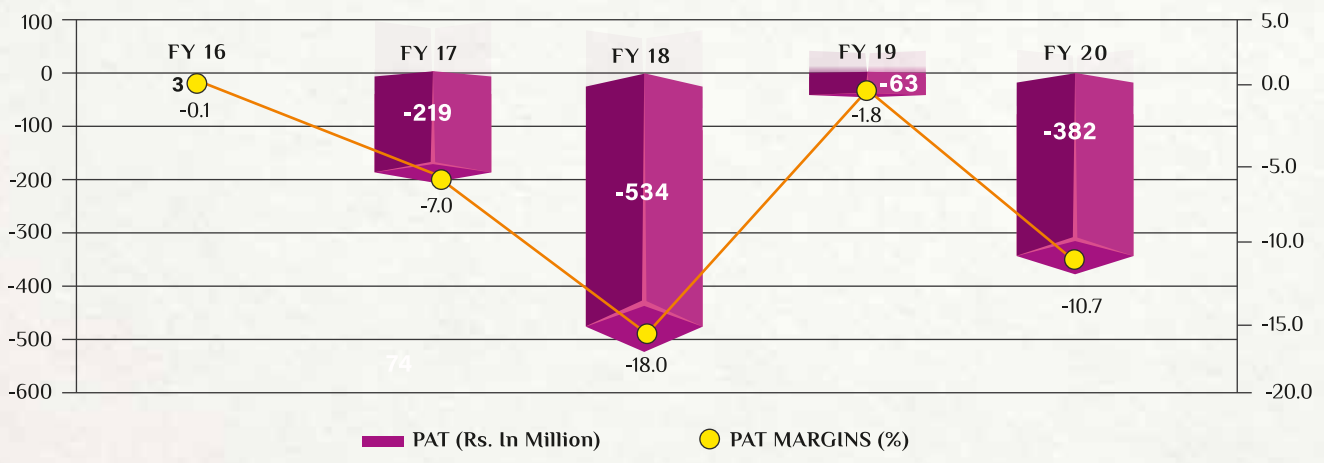
**EBIDTA And EBIDTA Margins**



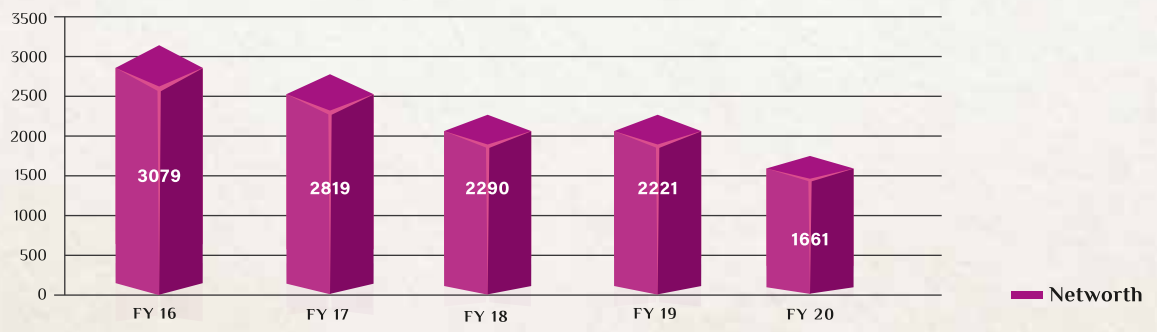


# WHAT THE NUMBER SAY

**PAT And PAT Margins**



**Network**





# BOARD OF DIRECTORS

## **Anjan Chatterjee**

Chairman & Managing Director

With a Bachelor's Degree in Science, Mr. Anjan Chatterjee is the Promoter-Director of the Company. He has topped it with a Diploma in Hotel Management, Catering Technology and Applied Nutrition and his experience spans over 30 years in the advertising and hospitality industry. With a hands-on management style, he is responsible for spearheading the company's expansion strategy.

## **Indranil Ananda Chatterjee**

Deputy Managing Director

Holding a Bachelor's Degree in Commerce and a Post Graduate Diploma in Business Management with over 30 years of experience in finance and marketing, he brings to the table his well-rounded management skills and strategic inputs for the Company's growth and expansion plans.

## **Suchhanda Chatterjee**

Whole-time Director

She is also the Promoter Director of the company and holds a Bachelor's Degree in Arts with over 20 years of experience in the hospitality industry. She can be accredited with bringing uniformity in the ambience of each restaurant under a brand and creating a unique identity for each brand esp. the flagship brands under the Speciality Restaurants umbrella.

## Avik Chatterjee

Whole-time Director

He holds a Bachelor's Degree in Business Administration from Kingston University, London.

During the period of his study at London had worked on the Project of Lounge Bars.

He is Head – Innovation and New Formats of the Company with effect from November 2015 and spearheading the Company's launch of several new brands viz. POH (Progressive Oriental House), Hay and the latest being Episode One.

Now inducted as a Director, he brings to the table conceptuals of new brands, with detailed analysis on prevailing trends in market after constant research and development on food and beverage and identification of new markets and customer needs / preferences.

## Dushyant Rajnikant Mehta

Independent Director

He has over 25 years of experience in marketing, advertising and sales with a focus on brand building, strategy and account planning. Having majored in marketing during his MBA, he has launched and built several FMCG and media brands at a national level. In his previous assignments he headed Contract Advertising and Lintas in Mumbai; he also led the strategic and account planning team at Clarion Advertising. Later he turned entrepreneur, playing a key role in building Repro India, one of India's largest printing & publishing company and in taking it public. He has helped build the multi-million-dollar brand Cello. He has also conceptualized and launched national programmes like the Bournvita Quiz Contest, Say Cello not Hello! amongst others. As a long-time member of the advertising fraternity, Mr. Mehta has served on the jury for the prestigious ABBY Awards and also taken sessions on Management at various institutions. He also founded and is the Chairman of Quadrum Solutions, a uniquely positioned content company with global clients.



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# BOARD OF DIRECTORS



# BOARD OF DIRECTORS

## Mr. Ullal Ravindra Bhat

Independent Director

He is one of India's well-known investment managers having managed foreign institutional investments in Indian equities for more than two decades. He is M.Sc. from Indian Institute of Technology, Kanpur and has attended advanced courses on Finance at the Harvard Business School, Boston and Indian Institute of Management, Ahmedabad. He is a Fellow of the Chartered Institute of Bankers, London. He is a respected commentator in the electronic and print media.

## Rakesh Pandey

Independent Director

He holds a degree in B. Tech. (Hons.) Chemical Engg. from IIT BHU Varanasi and Global Program on Management Development from University of Michigan. He is a well-rounded professional with multi-functional, multi domain experience, and an entrepreneurial and challenge orient mindset. He has worked in the industries ranging from Chemicals, FMCG, Healthcare and Wellness, Retail, Start Up in the roles ranging from Manufacturing, Projects, Chief of HR and Quality, Business Head and CEO, President among others. He has strong belief in power of HR linked Business Strategy and Innovation led growth. A CXO Coach, certified from Neuro Leadership Institute USA, on Brain Based Results Coaching System. He is also actively engaged in mentoring start-ups.

## Dr. Anita Bandyopadhyay

Independent Director

She is the Founder Director of KafeHR, a boutique strategic HR Consultancy Firm, with profound expertise in Leadership Development, Talent Management, Performance Management and HR Processes.

In a career spanning over two decades Dr. Bandyopadhyay has worked with large multi national companies as well as multiple small to midsize companies.

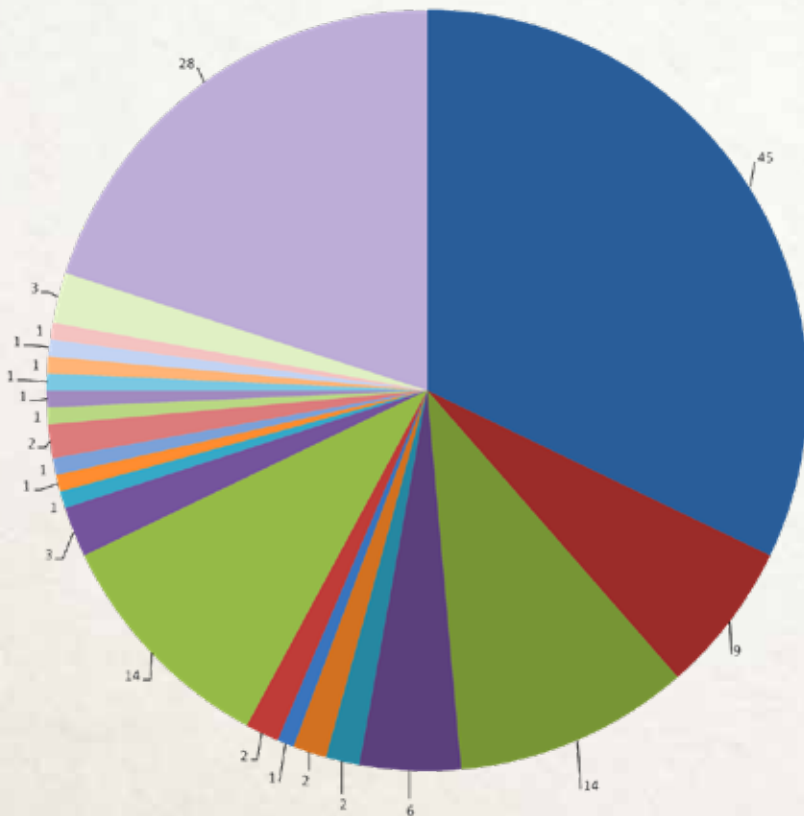
Her way of looking at HR from a business perspective truly sets her apart from others. With her expertise in the field of HR management as well as a keen ability to understand business dynamics, she is able to provide strategic advice that is practical and implementable, helps the organisation overcome obstacles and stimulate growth thus taking the organisation further.

She has a Doctorate in Applied Psychology from Kolkata University and an Executive MBA from SP Jain Institute of Management & Research, Mumbai. She is a certified coach and is also certified in multiple competency frameworks and psychometric instruments.



# BRAND PRESENCE

Brands & Number of Outlets as on March 31, 2020



- Mainland China & Mainland China Asia Kitchen & Asia Kitchen & Bar
- Oh! Calcutta
- Sigree & Sigree Global Grill
- Haka, Haka Xpress and Haka - Asia Bowl
- Machaan
- Flame & Grill
- Kix
- Café Mezzuna
- Hoppipola
- Zoodles (Asian Street Wok)
- GONG
- HAY
- Jungle Safari
- Episode One
- Urban Deccan Pub (UDP)
- Calcutta Canteen
- Riyasat
- BARishh
- Cloud Kitchen
- Kazi - Biryani, Chaap and Kababs
- Dariole
- Sweet Bengal (Confectionary)

# BRAND PRESENCE

## Brands

**Mainland China and Mainland China Asia Kitchen**

**Oh! Calcutta**

**Sigree and Sigree Global Grill**

**Haka, Haka Xpress and Haka Asia Bowl**

**Machaan**

**Flame & Grill**

**Café Mezzuna**

**Hoppipola**

**Kix**

**Zoodles (Asian Street Wok)**

**Gong-Modern Asian**

**HAY**

**Jungle Safari**

**Episode One**

**Calcutta Canteen**

**Urban Deccan Pub (UDP)**

**Riyasat**

**BARishh**

**Cloud Kitchen**

**Kaazi - Biryani, Chaap and Kababs**

**Dariole**

**Sweet Bengal (Confectionary)**

## Key Cities

20 cities in India and One in Dhaka, Bangladesh, one in Dar es Salaam, Tanzania and one in Dubai

Mumbai, Kolkata, Delhi, Bengaluru, Gurgaon and Hyderabad

Pune, Kolkata, Mumbai, Hyderabad, Bengaluru, Chennai, Ranchi and Dar-es-Salaam, Tanzania

Kolkata and Mumbai

Ranchi and Howrah

Hyderabad and Kolkata

Kolkata

Bengaluru, Chennai, Pune, Kolkata, Ranchi, Hyderabad and Mumbai

Kolkata

Mumbai

Pune

Hyderabad

Kolkata

Kolkata and Mumbai

Kolkata

Bengaluru

Kolkata

Kolkata

Mumbai

Kolkata

Kolkata

Mumbai and Kolkata



## COMPANY INFORMATION

### Board of Directors

Anjan Chatterjee	Chairman & Managing Director
Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)
Indranil Chatterjee	Deputy Managing Director (designated and appointed w.e.f. February 3, 2020)
Avik Chatterjee	Whole-time Director (appointed as Executive Director – Innovation and New Formats w.e.f. February 3, 2020)
Dushyant Mehta	Independent Director
Ullal R. Bhat	Independent Director
Rakesh Pandey	Independent Director
Anita Bandyopadhyay	Independent Director (appointed w.e.f. February 3, 2020)

### Board Committees

#### Audit Committee

Ullal R. Bhat	Chairman
Anjan Chatterjee	
Dushyant Mehta	
Rakesh Pandey	

#### Stakeholders Relationship Committee

Dushyant Mehta	Chairman
Anjan Chatterjee	
Indranil Chatterjee	

#### Nomination and Remuneration Committee

Dushyant Mehta	Chairman
Ullal R. Bhat	
Rakesh Pandey	

#### Corporate Social Responsibility Committee

Dushyant Mehta	Chairman
Suchhanda Chatterjee	
Ullal R. Bhat	

### Management Team

Anjan Chatterjee	Chairman & Managing Director
Suchhanda Chatterjee	Director-Interior & Design
Indranil Chatterjee	Deputy Managing Director
Avik Chatterjee	Executive Director – Innovation and New Formats
Phiroz Sadri	Chief Operating Officer
Rajesh Dubey	Chief-of-Cuisine
Rajesh Kumar Mohta	Executive Director- Finance & CFO
Avinash Kinikar	Company Secretary & Legal Head

### Statutory Auditors

Singhi & Co.  
Chartered Accountants  
B2, 402-B, Marathon Innova,  
Off Ganpatrao Kadam Marg,  
Lower Parel, Mumbai – 400013

### Secretarial Auditors

GMJ & Associates  
Company Secretaries  
3rd & 4th Floor,  
Vaastu Darshan “B”,  
Above Central Bank of India,  
Azad Road, Andheri (East),  
Mumbai - 400 069

### Registrar & Share Transfer Agents

Link Intime India Private Limited  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli West, Mumbai - 400 083.

### Bankers

State Bank of India  
Kotak Mahindra Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited

### Registered Office

Uniworth House,  
3A, Gurusaday Road,  
Kolkata 700 019.

### Corporate Office

Morya Landmark I, 4<sup>th</sup> Floor,  
B-25, Veera Industrial Estate,  
Off. New Link Road,  
Andheri (West),  
Mumbai-400053.  
CIN: L55101WB1999PLC090672  
Website: www.speciality.co.in  
E-Mail: corporate@speciality.co.in

## NOTICE

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting (the “AGM”) of the members of **SPECIALITY RESTAURANTS LIMITED** (the “Members” and such Company, the “Company”) will be held on Tuesday, September 22, 2020 at 11.00 a.m. (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility to transact the businesses as set out hereunder:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors of the Company (the “Board”) and the Auditor’s Report thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Auditor’s Report thereon.
3. To appoint a Director in place of Mrs. Suchhanda Chatterjee (DIN: 00226893), who retires by rotation and, being eligible, has offered herself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Re-appointment of Mr. Anjan Chatterjee (DIN: 00200443) as Managing Director of the Company:

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “Companies Act”) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company, and subject to the approval of the Central Government as may be required and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act from a Member, proposing his candidature for the office of Director, the Company hereby approves the re-appointment of Mr. Anjan Chatterjee, (DIN: 00200443) as the Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from December 27, 2020 upto December 26, 2023, on the following remuneration, perquisites and benefits as approved by the Nomination and Remuneration Committee (hereinafter called “NRC”) at their Meeting held on June 29, 2020 and the Board of Directors (the “Board”) at their Meeting held on July 23, 2020 on such other terms and conditions as set out in the explanatory statement:

#### Remuneration:

##### (i) Basic Salary:-

In the range of ₹ 2,00,000/- to ₹ 7,00,000/- per month. In the first year the basic salary shall be ₹ 2,50,000/- per month. Thereafter, the Board shall fix annual increments every year within the above specified limit in compliance with Schedule V of the Companies Act. The first increment shall be due from December 27, 2021.

##### (ii) Allowances:

- (i) House Rent Allowance ₹ 1,25,000/- per month.
- (ii) Additional Allowance ₹ 1,25,000/- per month.

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned in (i) above.

##### (iii) Perquisites:

In addition to the aforesaid salary and allowances, Mr. Anjan Chatterjee shall be entitled to gratuity, mediclaim policy for himself and his family, personal accident insurance for himself and other benefits in accordance with the rules of the Company. The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961, as amended and the rules made thereunder wherever applicable and in the absence of any such provision, perquisites shall be valued at actual cost.

##### (iv) Incentive Remuneration:

Such incentive remuneration not exceeding 100% of Basic Salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

##### (v) Commission:

Over and above the remuneration aforesaid, he shall be eligible for commission on the Net Profits as the Board may fix every year. Provided that the total remuneration including perquisites, incentive remuneration and commission shall be within the overall limits laid down under Section 198 read with Schedule V of the Companies Act.

##### (vi) Sitting Fees:

Mr. Anjan Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof.

In addition to the remuneration specified above, Mr. Anjan Chatterjee may also draw remuneration from other companies, in the capacity of a managerial personnel, provided that the total remuneration (including basic salary, allowances, perquisites, incentive remuneration and commission including the remuneration received from other companies) shall be within the overall limits laid down under the Companies Act.



**RESOLVED FURTHER THAT** during the tenure of Mr. Anjan Chatterjee as Managing Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Anjan Chatterjee shall be eligible to draw the remuneration by way of salary, allowances, perquisites, incentive remuneration and commission from the Company as well as from other companies within overall limits prescribed under Section II, Part II of Schedule V of the Companies Act;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board and Mr. Anjan Chatterjee subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board or any Committee thereof that may be authorized by the Board in this behalf, be and is hereby authorised to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Indranil Chatterjee, Deputy Managing Director and Mr. Avinash Kinshikar, Company Secretary & Legal Head be and are hereby severally authorised to do all such acts, deeds and actions, as may be necessary to give effect to the above resolution, including filing the various forms required to be filed under the Companies Act electronically from time to time with the Registrar of Companies, West Bengal or such other concerned authorities."

**5. Designating and Appointment of Mr. Indranil Chatterjee (DIN: 00200577) Whole-time Director, as Deputy Managing Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), (the **"Companies Act"**) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Articles of Association of the Company and subject to the approval of the Central Government as may be required, the Company hereby approves the appointment of Mr. Indranil Chatterjee (DIN : 00200577), who was earlier the Whole-time Director (designated as Director – Commercial Operations), and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act from a Member, proposing his candidature for the office of Director, be and is hereby designated and appointed as Deputy Managing Director of the Company, liable to retire by rotation, for a period of three years with effect from February 3, 2020 up to February 2, 2023 on the following remuneration, perquisites and benefits, as approved by the Nomination and Remuneration Committee (the **"NRC"**) and the Board of Directors (the **"Board"**) at each of their meetings held on February 3, 2020, respectively and on such other terms and conditions as set out in the explanatory statement:

**Remuneration:**

**(i) Basic Salary:**

In the range of ₹ 50,000/- to ₹ 3,00,000/- per month. In the first year, the Basic Salary shall be ₹ 1,25,000/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling in compliance with Schedule V of the Companies Act. The first increment shall be due from April 1, 2021.

**(ii) Allowances:**

(i) House Rent Allowance ₹ 62,500/- per month.

(ii) Additional Allowance ₹ 62,500/- per month.

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned in (i) above.

**(iii) Perquisites:**

In addition to the aforesaid salary and allowances, Mr. Indranil Chatterjee shall be entitled to gratuity, mediclaim policy for self and family, personal accident insurance for self and other benefits in accordance with the rules of the Company. The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961, as amended and the Rules made thereunder wherever applicable and in the absence of any such provision, perquisites shall be valued at actual cost.

**(iv) Incentive Remuneration :**

Such incentive remuneration not exceeding 100% of Basic Salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.

**(v) Commission:**

Over and above the remuneration aforesaid, he shall be eligible for commission on the Net Profit as the Board may fix every year. Provided that the total remuneration including perquisites, incentive remuneration and commission shall be within the overall limits laid down in Sections 197 and 198 read with Schedule V of the Companies Act.

**(vi) Sitting Fees:**

Mr. Indranil Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board and/or committee (s) of the Directors.

In addition to the remuneration specified above, Mr. Indranil Chatterjee may also draw remuneration from other companies, in the capacity of a managerial personnel, provided that the total remuneration (including basic salary, allowances, perquisites, incentive remuneration and commission including the remuneration received from other companies) shall be within the overall limits laid down under the Companies Act;

**RESOLVED FURTHER THAT** during the tenure of Mr. Indranil Chatterjee as Deputy Managing Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Indranil Chatterjee shall be eligible to draw the remuneration by way of salary, allowances, perquisites, incentive remuneration and commission from the Company as well as from other companies within overall limits prescribed under Section II, Part II of Schedule V of the Companies Act or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board and Mr. Indranil Chatterjee subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors or any committee of Directors that may be authorized by the Board in this behalf, be and is hereby authorised to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Anjan Chatterjee, Chairman & Managing Director and Mr. Avinash Kinhikar, Company Secretary & Legal Head be and are hereby severally authorised to file the various forms required to be filed under the Companies Act electronically from time to time with the Registrar of Companies, West Bengal or such other concerned authorities."

**6. Appointment of Mr. Avik Chatterjee as a Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), (the **"Companies Act"**), and Rules framed thereunder (including any statutory modification(s) or amendment(s) thereto re-enactment(s) thereof for the time being in force), Mr. Avik Chatterjee (DIN: 06452245), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 3, 2020, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act and Article 99 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act from a Member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**7. Appointment of Mr. Avik Chatterjee as a Whole-time Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), (the **"Companies Act"**) read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Articles of Association of the Company, Mr. Avik Chatterjee (DIN: 06452245), Whole-time Director (designated as Executive Director – Innovation and New Formats), be and is hereby appointed as Whole-time Director, liable to retire by rotation, for a period of three years with effect from February 3, 2020 up to February 2, 2023 on the following remuneration, perquisites and benefits, as approved by the Nomination and Remuneration Committee (the **"NRC"**) and the Board of Directors (the **"Board"**) at each of their meetings held on February 3, 2020, respectively and on such other terms and conditions as set out in the explanatory statement:

**Remuneration:**

**(i) Basic Salary:**

In the range of ₹ 50,000/- to ₹ 2,50,000/- per month. In the first year, the Basic Salary shall be ₹ 75,000/- per month. Thereafter, the Board of Directors shall fix annual increments every year within the above ceiling in compliance with Schedule V of the Companies Act. The first increment shall be due from April 1, 2021.

**(ii) Allowances:**

(i) House Rent Allowance ₹ 37,500/- per month.

(ii) Additional Allowance ₹ 37,500/- per month.

The above allowances together with such other allowances as and when decided with such increments as may be fixed by the Board shall not exceed 100 percent of the basic salary mentioned in (i) above.

**(iii) Perquisites:**

In addition to the aforesaid salary and allowances, Mr. Avik Chatterjee shall be entitled to gratuity, mediclaim policy for self and family, personal accident insurance for self and other benefits in accordance with the rules of the Company. The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act, 1961, as amended and the Rules made thereunder wherever applicable and in the absence of any such provision, perquisites shall be valued at actual cost.

**(iv) Incentive Remuneration :**

Such incentive remuneration not exceeding 100% of Basic Salary to be paid at the discretion of the Board annually, based on certain performance criteria and such other parameters as may be considered appropriate from time to time.



**(v) Commission:**

Over and above the remuneration aforesaid, he shall be eligible for commission on the Net Profit as the Board may fix every year. Provided that the total remuneration including salary, allowances, perquisites, incentive remuneration and commission shall be within the overall limits laid down in Sections 197 and 198 read with Schedule V of the Companies Act.

**(vi) Sitting Fees:**

Mr. Avik Chatterjee shall not be entitled to any sitting fee for attending meetings of the Board and/or committee (s) of the Directors.

In addition to the remuneration specified above, Mr. Avik Chatterjee may also draw remuneration from other companies, in the capacity of a managerial personnel, provided that the total remuneration (including basic salary, allowances, perquisites, incentive remuneration and commission including the remuneration received from other companies) shall be within the overall limits laid down under the Companies Act.

**RESOLVED FURTHER THAT** during the tenure of Mr. Avik Chatterjee as Whole-time Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Avik Chatterjee shall be eligible to draw the remuneration by way of salary, allowances, perquisites, incentive remuneration and commission from the Company as well as from other companies within overall limits prescribed under Section II, Part II of Schedule V of the Companies Act or re-enactment thereof;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board and Mr. Avik Chatterjee subject to the limits prescribed under the Companies Act;

**RESOLVED FURTHER THAT** the Board of Directors or any committee of Directors that may be authorized by the Board in this behalf, be and is hereby authorised to take such steps and do all such acts, deeds, matters and things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** Mr. Anjan Chatterjee, Chairman and Managing Director or Mr. Indranil Chatterjee, Deputy Managing Director or Mr. Avinash Kinshikar, Company Secretary & Legal Head be and are hereby severally authorised to file the various forms required to be filed under the Companies Act electronically from time to time with the Registrar of Companies, West Bengal or such other concerned authorities.”

**8. Appointment of Dr. Anita Bandyopadhyay (DIN: 08672071) as an Independent Director of the Company:**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Dr. Anita Bandyopadhyay (DIN: 08672071), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 3, 2020, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the “**Companies Act**”) and Article 99 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act from a Member, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, read with Schedule IV of the Companies Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Dr. Anita Bandyopadhyay, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years with effect from February 3, 2020 upto February 2, 2025, be and is hereby approved.”

**By Order of the Board**  
For **Speciality Restaurants Limited**

**Avinash Kinshikar**  
**Company Secretary and Legal Head**  
**(Membership No. - FCS 8364)**

Place: Mumbai  
Date: July 23, 2020

**Registered Office:** Uniworth House,  
3A, Gurusaday Road, Kolkata 700 019.  
**CIN:** L55101WB1999PLC090672.  
**E-mail:** corporate@speciality.co.in  
**Phone:** 033-22837964.  
**Website:** www.speciality.co.in

**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020 and Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 permitted the holding of the Annual General Meeting (“AGM”) through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Companies Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC or OAVM.
2. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Uniworth House, 3A, Gurusaday Road, Kolkata 700 019, which shall be the deemed venue of the AGM.
3. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
4. The Explanatory Statement setting out the material facts in respect of the business under item nos. 4, 5, 6, 7 and 8 to be transacted at the AGM, as set out in this Notice is annexed hereto and forms part of this Notice.
5. Pursuant to the provisions of Sections 112 and 113 the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circular, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this Notice.
6. Members attending the Meeting through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
7. The Members can join the AGM in the VC or OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The Members will be able to view the proceedings on National Securities Depository Limited’s (‘NSDL’) e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC or OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
8. Institutional or Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (.pdf or .jpg Format) of its Board or governing body Resolution or Authorization etc., authorizing its representative to attend the AGM through VC or OAVM on its behalf and to vote through e-voting. The said Resolution or Authorization shall be sent to the Scrutinizer by e-mail through its registered email address to [tchatterjeeassociates@gmail.com](mailto:tchatterjeeassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [investor@speciality.co.in](mailto:investor@speciality.co.in).
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [investor@speciality.co.in](mailto:investor@speciality.co.in).
10. Members can also write to the Company on or before September 22, 2020 for obtaining relevant documents through e-mail on [investor@speciality.co.in](mailto:investor@speciality.co.in). The same will be suitably replied to by the Company.
11. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, September 16, 2020 to Tuesday, September 22, 2020 (both days inclusive).
12. Members are requested to address all correspondence including dividend matters, to the Company’s Registrar and Share Transfer Agent, Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083 (the “Registrar” or “Transfer Agent”).
13. Members holding shares in dematerialized form are requested to intimate any change in their address or email address or bank mandate to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or email address or bank mandates to the Registrar of the Company.
14. Unclaimed dividend for the financial years from 2012-13 to 2014-15 are held in separate bank accounts and members who have not received the dividend/ or encashed the warrants are advised to claim such amount from the Company or Registrar. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account and the shares on which such dividend remained unclaimed or unpaid will be transferred to Investor Education and Protection Fund established by the Central Government as per Section 124 of the Companies Act.

Following are the details of unpaid dividend which is due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Last date to claim unclaimed dividend
2012-13	13-08-2013	11-09-2020

The Registrar of the Company has already written to the shareholders whose dividend is unclaimed or unpaid informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through this Annual Report.



15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
16. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or the Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.speciality.co.in](http://www.speciality.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
17. At the twentieth annual general meeting of the Company held on August 23, 2019, the Members approved appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that annual general meeting till the conclusion of the twenty fifth annual general meeting to be held in the year 2024, subject to ratification of their appointment by Members at every annual general meeting, if so required under the Companies Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every annual general meeting has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the twenty-first AGM.
18. Documents for inspection will be available electronically, without any fee, from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect such documents can send an e-mail to [investor@speciality.co.in](mailto:investor@speciality.co.in) stating their DP ID and Client ID or Folio No.
19. **Voting through electronic means:**
  - (i) In compliance with Section 108 of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM) through e-voting services provided by National Securities Depositories Limited (NSDL) on all resolutions specified in this Notice.
  - (ii) The Remote e-voting commences on Saturday, September 19, 2020 (from 09:00 a.m. Indian Standard Time, “IST”) and ends on Monday, September 21, 2020 (at 5.00 p.m. IST). E-voting shall not be allowed after the aforesaid date and time. During this period Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, being Tuesday, September 15, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL thereafter.
  - (iii) Members will be provided with the facility for voting through electronic voting during the video conferencing proceedings during the AGM and Members participating during the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-voting.
  - (iv) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Tuesday, September 15, 2020 may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-voting for all those Members who are present during the AGM through VC or OAVM, but have not cast their votes by availing the e-voting facility. The e-voting module shall be disabled by NSDL for voting 15 minutes after the conclusion of the AGM.
  - (v) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Detail of the process and manner of remote e-voting along with the user ID and password is being sent to all the members along with the Notice.
  - (vi) The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date being Tuesday, September 15, 2020.
  - (vii) The Board has appointed M/s. T. Chatterjee & Associates, Practicing Company Secretaries firm (ICSI - Firm Unique Code No.: P2007WB067100) represented by Ms. Binita Pandey – Company Secretary, failing her Ms. Sumana Mitra – Company Secretary both Partners of M/s. T. Chatterjee & Associates (the “Scrutinizer”) as a scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner
  - (viii) The Scrutinizer will submit his report to the Chairman or in his absence any other Director authorised by the Board after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM.

- (ix) The Chairman or in his absence any other Director authorised by the Board shall forthwith on receipt of the Consolidated Scrutinizer’s Report, declare the results of the voting. The Result declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website [www.speciality.co.in](http://www.speciality.co.in) and on the website of NSDL after their declaration, and communicated to the BSE Limited and the National Stock Exchange of India Limited.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.





Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tchatterjeeassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in.
4. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
5. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the Meeting.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:

In case shares are held in physical mode please provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to evoting@nsdl.co.in

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to evoting@nsdl.co.in.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC or OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC or OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC or OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC or OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
  2. Members are encouraged to join the AGM through laptops for better experience.
  3. Further, Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio or video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail id, mobile number at [investor@speciality.co.in](mailto:investor@speciality.co.in) between Tuesday, September 15, 2020 to Thursday, September 17, 2020. Those Members who have pre-registered themselves as a speaker will only be allowed to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The speaker shall ensure being connected to a device with a video or camera along with good internet speed for the same. Those speakers whose names are called out by the Chairman and are not available will not be allowed to speak later to ensure proceedings flow in a smooth manner.
  6. When a pre-registered speaker is invited to speak at the AGM but he or she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video or camera along with good internet speed.
  7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
  8. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) / 022-24994545.
20. Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India, the details of Director seeking appointment or re-appointment at the AGM have been annexed to this Notice.
  21. As per the provisions of Section 72 of the Companies Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form SH-14. Members holding shares in electronic form may obtain nomination forms from their respective Depository participant.
  22. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with Registrar or their depository participants, in respect of shares held in physical or electronic mode, respectively.
  23. In terms of Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide Gazette notification dated June 8, 2018 and the Securities and Exchange Board of India Notification dated November 30, 2018, which has mandated that the request for transfer of shares will be processed only if the shares are held in dematerialised form (DEMAT) (except in case transmission or transposition of shares) with effect from April 1, 2019. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly to avoid inconvenience.
  24. SEBI through its Circular No. SEBI/HO/MIRSD/DOP1/CIR /P/2018/73 dated April 20, 2018 has directed all the listed companies to record the PAN of all the shareholders and Bank Account details of registered shareholder. The Company has sent intimations to eligible shareholders to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the Members’ register.



### **Explanatory Statement pursuant to Section 102 (1) of the Companies Act.**

The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 4, 5, 6, 7 and 8 of this Notice dated July 23, 2020.

#### **Item No. 4: Re-appointment of Mr. Anjan Chatterjee (DIN: 00200443) as Managing Director of the Company:**

1. Mr. Anjan Chatterjee was appointed as Managing Director of the Company at the meeting of the Board held on May 27, 2017 for a period of three years effective from December 27, 2017 to December 26, 2020. The appointment was approved by the Members at the annual general meeting held on August 21, 2017.
2. Based on the recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on July 23, 2020 has, subject to the approval of the Members, approved re-appointment of Mr. Anjan Chatterjee as the Managing Director of the Company for a period of three years with effect from December 27, 2020. The Board has also approved terms of remuneration payable to him during his tenure as the Managing Director. The re-appointment of Mr. Anjan Chatterjee as Managing Director and payment of remuneration is subject to the approval of the Members of the Company and subject to such other approvals of applicable authorities, if any, under applicable laws.
3. Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, read with Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the re-appointment of Mr. Anjan Chatterjee as the Managing Director is subject to approval of the Members of the Company in the AGM.
4. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, was inserted with effect from April 1, 2019, which provides that the approval of the shareholders by way of a special resolution in a general meeting shall be obtained in the event the annual remuneration payable to executive directors who are promoters or member of the promoter group exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity. Mr. Anjan Chatterjee is the promoter of the Company and his proposed aggregate annual remuneration exceeds 5% of the net profits of the Company. In order to comply with the requirement of Regulation 17(6)(e) of the listing regulations, approval of the Shareholders is being sought by way of Special Resolution.
5. Pursuant to the Companies Act, if the Company has no profits or if its profits are inadequate in any financial year, the Managing Director of the Company shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule V of the Companies Act.
6. Mr. Anjan Chatterjee has also been holding the managerial position in Situations Advertising and Marketing Services Private Limited and has drawn remuneration for the financial year 2019-20. Since, Mr. Anjan Chatterjee is drawing remuneration in more than one company, in terms of Section II of Part II of Schedule V of the Companies Act, the total remuneration drawn by him from both the companies did not exceed the higher of the maximum limit admissible from any one of the companies in which he is a managerial person.
7. **Background of Mr. Anjan Chatterjee is set out below:**

Mr. Anjan Chatterjee, aged 61 years, holds a Bachelor's Degree in Science and Diploma in Hotel Management. He has been the Managing Director of the Company since 2007 and has an experience of over 30 years in the Advertising and Hospitality Industry. Mr. Anjan Chatterjee was the Vice President of National Restaurants Association of India.

8. A draft of the letter of appointment proposed to be issued by the Company to Mr. Anjan Chatterjee in connection with his re-appointment as the Managing Director of the Company and setting out the terms and conditions of his re-appointment, including the remuneration, is available for electronic inspection by the Members on all working days, during business hours, upto the date of the AGM.
9. The Managing Director shall not be liable to retire by rotation.
10. The Managing Director shall act under the overall supervision and direction of the Board. Save as aforesaid, the Managing Director is vested with the management and control of the Company and is hereby authorised to exercise all the powers of management of the Company and its business save and except such powers as are required by law for the time being in force to be exercised by the Company in the general meeting or by the Board.
11. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee, Mrs. Suchhanda Chatterjee (Spouse) and Mr. Avik Chatterjee (Son) are, in any way, concerned or interested financially or otherwise in the resolution set out under Item No. 4 of the Notice.
12. The Board recommends the resolution as set out under Item No. 4 of the accompanying Notice for approval of the Members to be passed as a special resolution.
13. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth at the end of the Explanatory Statement in paragraph no. 48

#### **Item No. 5: Designating and Appointment of Mr. Indranil Chatterjee (DIN: 00200577) Whole-time Director, as Deputy Managing Director of the Company:**

14. Mr. Indranil Chatterjee was re-appointed as a Whole-time Director of the Company at the meeting of the Board held on May 26, 2018 for a period of three years with effect from July 1, 2018 to June 30, 2021.

15. At the annual general meeting held on August 27, 2018, the Members had approved the re-appointment and terms of remuneration of Mr. Indranil Chatterjee.
16. At the annual general meeting held on August 23, 2019, Members had approved a special resolution for ratification of remuneration paid to Mr. Indranil Chatterjee as a Whole-time Director of the Company pursuant to the Companies (Amendment) Act, 2017.
17. Based on the recommendation of Nomination and Remuneration Committee and considering his significant contributions made by him to the Company, the Board at their meeting held on February 3, 2020 has, subject to the approval of the Members of the Company, approved, designated and appointed Mr. Indranil Chatterjee as Deputy Managing Director of the Company, liable to retire by rotation, for a period of three years with effect from February 3, 2020 upto February 2, 2023. The appointment of Mr. Indranil Chatterjee as Deputy Managing Director and payment of remuneration is subject to the approval of the Members of the Company and subject to further approvals of any statutory or regulatory authorities wherever applicable.
18. Pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, read with Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of Mr. Indranil Chatterjee as Deputy Managing Director is subject to approval of the Members of the Company at the AGM.
19. Pursuant to the Companies Act, during the period of appointment if the Company has no profits or if its profits are inadequate in any financial year, the Managerial Personnel shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule V of the Companies Act.
20. **Background of Mr. Indranil Chatterjee is set out below:-**  
Mr. Indranil Chatterjee, is a whole-time Director of the Company. He has been a Director of the Company since August 18, 2005. He holds a Bachelor's Degree in Commerce from University of Calcutta and a Post Graduate Diploma in Business Management from Institute of Modern Management, Calcutta. Mr. Indranil Chatterjee has over 30 years of experience in the field of Finance and Marketing. He brings to the table his well-rounded management skills and strategic inputs for the Company's growth and expansion plans.
21. A draft of the letter of appointment proposed to be issued by the Company to Mr. Indranil Chatterjee in connection with his appointment as Deputy Managing Director of the Company which sets out the terms and conditions of his appointment including the proposed remuneration is available for electronic inspection by the members on all working days during business hours, upto the date of the meeting.
22. None of the Directors of the Company or Key Managerial Personnel or their relatives except Mr. Indranil Chatterjee are in any way, concerned or interested financially or otherwise in the resolution set out under Item No. 5 of the Notice
23. The Board recommends the resolution as set out under Item No. 5 of the accompanying Notice for approval of the Members to be passed as a special resolution.
24. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth at the end of the Explanatory Statement in paragraph No. 48

**Item No. 6 and 7: Appointment of Mr. Avik Chatterjee as Director of the Company and Appointment of Mr. Avik Chatterjee as a Whole-time Director of the Company for a period of 3 years with effect from February 3, 2020 up to February 2, 2023:**

25. Based on the recommendation of Nomination and Remuneration Committee, the Board at their meeting held on February 3, 2020 has, subject to the approval of the Members of the Company, approved appointment of Mr. Avik Chatterjee as an additional Whole-time Director (designated as Executive Director – Innovation and New Formats) of the Company for a period of three years with effect from February 3, 2020 to February 2, 2023.
26. In terms of Section 161 of the Companies Act and Article 99 of the Articles of Association of the Company, Mr. Avik Chatterjee holds office as an Additional Director up to the date of the forthcoming AGM of the Company, but is eligible for appointment as Director. The Company has received Notice pursuant to Section 160 of the Companies Act, from a Member proposing his candidature for the office of Director of the Company at the forthcoming AGM of the Company. The Board commends to the Members his appointment as Director of the Company.
27. Pursuant to the provisions of Sections 188, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, read with Schedule V of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of Mr. Avik Chatterjee as the Whole-time Director is subject to approval of the Members of the Company at the AGM.
28. Mr. Avik Chatterjee, Whole-time Director of the Company holds the office of place of profit and the proposed remuneration is within the limits as prescribed under the Section 188 of the Companies Act.
29. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, was inserted with effect from April 1, 2019, which provides that the approval of the shareholders by way of a Special resolution in a general meeting shall be obtained in the event the annual remuneration payable to executive directors who are promoters or member of the promoter group exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.  
Mr. Avik Chatterjee is member of the promoter group of the Company and his proposed aggregate annual remuneration exceeds 5% of the net profits of the Company. In order to comply with the requirement of Regulation 17(6)(e) of the listing regulations, approval of the Shareholders is being sought by way of Special Resolution.



30. Pursuant to the Companies Act, during the period of appointment if the Company has no profits or if its profits are inadequate in any financial year, the Whole-time Director shall be entitled to draw remuneration not exceeding the limits prescribed in Schedule V of the Companies Act.
31. **Background of Mr. Avik Chatterjee is set out below:-**  
 Mr. Avik Chatterjee holds a Bachelor's Degree in Business Administration from Kingston University, London. During the period of his study at London he worked on the project of Lounge Bars.  
 He is Head - Innovation and New Formats of the Company with effect from November 2015. He is spearheading the Company's launch of several new brands viz. "Hoppipola", "POH" (Progressive Oriental House), "Hay" and "Episode One". He is responsible for development of New Formats and setting up of process for its smooth operations.
32. As Head - Innovation and New Formats, he brings to the table conceptualization of new brands, concepts & detailed analysis on prevailing trends in market, constant research and development towards food and beverage and identification of new markets and customer needs or preferences.
33. A draft of the letter of appointment proposed to be issued by the Company to Mr. Avik Chatterjee in connection with his appointment as the Whole-time Director of the Company which sets out the terms and conditions of his appointment including the proposed remuneration is available for electronic inspection by the Members on all working days, during business hours, upto the date of this AGM.
34. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee (Father and Mother of Mr. Avik Chatterjee) are, in any way, concerned or interested financially or otherwise in the Resolution set out under Item No. 6 and 7 of the Notice.
35. The Board recommends the resolution as set out under Item No. 6 of the accompanying Notice for approval of the Members to be passed as an ordinary resolution.
36. The Board recommends the resolution as set out under Item No. 7 of the accompanying Notice for approval of the Members to be passed as a special resolution.
37. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth at the end of the Explanatory Statement in paragraph No. 48.

**Item No. 8: Appointment of Dr. Anita Bandyopadhyay (DIN: 08672071) as an Independent Director of the Company:**

38. The Board of Directors appointed Dr. Anita Bandyopadhyay (DIN: 08672071) , as an additional Independent Director of the Company for a term of five years with effect from February 3, 2020, subject to the approval of the Members at the AGM. In terms of Section 161 of the Companies Act and Article 99 of the Articles of Association of the Company, Dr. Anita Bandyopadhyay holds office as an Additional Director up to the date of the forthcoming AGM of the Company, but is eligible for appointment as Director. The Company has received Notice pursuant to Section 160 of the Companies Act, from a Member proposing her candidature for the office of Director of the Company at the forthcoming AGM of the Company. The Board commends to the Members her appointment as Director of the Company.

39. **Background and brief profile of Dr. Anita Bandyopadhyay:**

Founder Director KafeHR, is an acclaimed expert in Leadership Development, Change Management, Talent Management, Performance Management and HR Processes. Corporate Succession Planning is her niche forte.

- She is credited with setting-up and leading the Learning & Development functions for over 10,000 employees at the Ajay Piramal Group. She also designed and executed Employee Engagement Programs and Leadership Pipeline development interventions for the same group.
- Her Talent Management Processes have been institutionalized at the 5000 personnel strong Pidilite Industries.
- She has extensively worked to streamline PMS Process for notable names like Raymond Group, Pidilite Industries and Baerlocher India Additives amongst others.

Capabilities: Dr. Anita has the capability and skill to deliver across the entire spectrum of HR needs, be it for a small Leadership group or extremely large groups of employees across businesses and departments. She has a proven expertise in Strategic HR initiatives and Operational Capability Building for greater organizational effectiveness. With over 20 years' experience in HR interventions, she has worked with industries ranging from Pharmaceuticals, Glass Packaging, Education, Adhesives, Textile & Apparels having core insight into Manufacturing, Education, FMCG, Retail and B2B businesses.

Differentiators: Dr. Anita has a Doctorate in Applied Psychology from Kolkata University and an Executive MBA from SP Jain Institute of Management & Research, Mumbai. With work experiences across academics domain and corporate world, she has a rare amalgamation of strong conceptual knowledge with result oriented application practice.

Her academic career at SP Jain Institute of Management & Research and Welinkar Institute of Management have equipped her with in-depth domain knowledge and strong theoretical base. Her corporate experiences at Ajay Piramal Group, Raymond Group and Pidilite Industries have honed her skills in Learning & Development, Psychometric Assessments, Talent Management, OD Interventions, Performance Management, Compensation & Benefits, Talent Acquisition and HR Policies. She has worked with clients like Abbot Pharma, Baerlocher India Additives and UPL for Performance Management, Talent Management, Leadership Development, Change Management and Succession Planning.

Dr. Anita brings to the table this unique combination of strong OB concepts with proven HR practices, to make her a well-rounded, incisive and successful professional who delivers positive results.

She was invited to be a part of the panel at various HR Conferences organized by Aon Hewitt, HT Shine HR Conclave, SHRM, People Matters and many top notch B Schools

Certifications: Dr. Anita has undergone

- Coaching Certification program by Marshall Goldsmith at the Indian School Of Business, Hyderabad
- Certified in Leadership Architect 101 Competency Library by Korn/Ferry International, in OPQ32 by SHL Ltd.
- An Engagement Champion in Gallup Q12, GPTW as well as Coffman EE2.0.”

40. Dr. Anita Bandyopadhyay is a Non-Executive Director and is considered as “independent” under the Companies Act and Regulation 16(b) of the Listing Regulations.
41. As per the provisions of Section 149 of the Companies Act, an Independent Director shall hold office for a term up to five years on the Board of Directors of a company and is not liable to retire by rotation. Dr. Anita Bandyopadhyay has given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act and under the Listing Regulations.
42. The matter regarding the appointment of Dr. Anita Bandyopadhyay as an Independent Director was placed before the Board, based on the recommendation of the Nomination and Remuneration Committee, which commends her appointment as an Independent Director of the Company
43. In the opinion of the Board, Dr. Anita Bandyopadhyay fulfils the conditions specified in the Companies Act for appointment as an Independent Director and is independent of the management of the Company.
44. In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, the appointment of Dr. Anita Bandyopadhyay is now being placed before the Members at the AGM for their approval.
45. The terms and conditions of appointment of Dr. Anita Bandyopadhyay shall be open for electronic inspection without any fee by the Members during normal business hours on any working day of the Company upto the date of the AGM.
46. None of the Directors except Dr. Anita Bandyopadhyay or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the resolution set out under Item No. 8 of the Notice.
47. The Board recommends the resolution set out under Item No. 8 of the accompanying Notice for approval of Members as an ordinary resolution.
48. The additional information, as required under Section II of Part II of Schedule V of the Companies Act, has been set forth below:

	Particulars	Name of the Director			
		Mr. Anjan Chatterjee	Mr. Indranil Chatterjee	Mr. Avik Chatterjee	
(I)	<b>General Information:</b>				
(i)	<b>Nature of Industry:</b>	The Company is engaged in the business of restaurant industry.			
(ii)	<b>Date or expected date of commencement of commercial production</b>	Not applicable			
(iii)	<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:</b>	Not applicable			
(iv)	<b>Financial performance based on given indicators:</b>	₹ In Millions			
		Particulars	Financial Years		
			2019-20	2018-19	2017-18
		Paid-up Capital	469.6	469.6	469.6
		Other Equity	1,192.2	1,751.1	1,821.1
Turnover & Other Income	3,677.5	3,558.2	3,046.9		
	Total Comprehensive Income for the year	(388.5)	(67.9)	(530.4)	
(v)	<b>Foreign investment or collaborations, if any</b>	<p>Speciality Hospitality UK Limited, wholly owned Subsidiary (WOS) company of the Company has a joint venture with Homage Ventures LLP to setup, own and operate restaurant in London, United Kingdom under Caterland Hospitality Ltd, step down subsidiary company of the Company.</p> <p>The Company has invested GBP 10,33,500 in the WOS Company by way of subscription of 10,33,500 fully paid-up equity shares of GBP 1 each of the WOS company.</p> <p>Speciality Hospitality US, Inc., wholly owned Subsidiary (WOS) company of the Company has a joint venture with Associated Hospitality &amp; Developers LLC to setup, own and operate restaurants in United States of America under Foodland Ventures LLC.</p> <p>The Company has invested USD 1,00,000 in the WOS Company by way of subscription of 1,00,000 fully paid-up equity shares of USD 1 each of the WOS company.</p>			



	Particulars	Name of the Director		
		Mr. Anjan Chatterjee	Mr. Indranil Chatterjee	Mr. Avik Chatterjee
<b>(II)</b>	<b>Information about Director</b>			
<b>(i)</b>	<b>Background details</b>	Please refer paragraph 7 of the Explanatory Statement.	Please refer paragraph 20 of the Explanatory Statement.	Please refer paragraph 31 of the Explanatory Statement.
<b>(ii)</b>	<b>Past remuneration</b>	The remuneration drawn for last three financial years (FY): FY 2017-18: ₹ 6.00 million FY 2018-19: ₹ 6.00 million FY 2019-20: ₹ 5.75 million	The remuneration drawn for last three financial years (FY): FY 2017-18: ₹ 2.10 million FY 2018-19: ₹ 2.10 million FY 2019-20: ₹ 2.12 million	The remuneration drawn for last three financial years (FY): FY 2017-18: NA FY 2018-19: NA FY 2019-20: ₹ 0.22 million
<b>(iii)</b>	<b>Recognition or Awards</b>	The Company has won awards for various brands. The details of the awards are given on page no. 43 of the Annual Report.		
<b>(iv)</b>	<b>Job profile and his suitability</b>	Mr. Anjan Chatterjee has over 30 years of experience in the Advertising and Hospitality Industry and is responsible for the overall supervision, control and management of the Company. He has contributed significantly to the achievements of the Company and the Board is of the opinion that his continuing appointment would be beneficial to the Company.	Mr. Indranil Chatterjee is having over 30 years of experience in the field of Finance and Marketing. He brings to the table his well rounded management skills and strategic inputs for the Company's growth and expansion plans. He has contributed significantly to the achievements of the Company and the Board is of the opinion that his appointment as Deputy Managing Director would be beneficial to the Company.	Mr. Avik Chatterjee is Head - Innovation and New Formats of the Company with effect from November 2015. He is spearheading the Company's launch of several new brands viz. "Hoppipola", "POH" (Progressive Oriental House), "Hay" and "Episode One". He is responsible for development of New Formats and setting up of process for its smooth operations.  He has contributed significantly to the achievements of the Company and the Board is of the opinion that his appointment would be beneficial to the Company.
<b>(v)</b>	<b>Remuneration proposed</b>	The proposed remuneration comprises of basic salary, allowances, perquisites, commission, incentive remuneration and benefits as mentioned under Item No. 4 of this Notice subject to the provisions of Schedule V of the Companies Act, 2013.	The proposed remuneration comprises of basic salary, allowances, perquisites, incentive remuneration, commission and benefits as mentioned under Item No. 5 of this Notice subject to the provisions of Schedule V of the Companies Act.	The proposed remuneration comprises of basic salary, allowances, perquisites, incentive remuneration, commission and benefits as mentioned under Item No. 7 of this Notice subject to the provisions of Schedule V of the Companies Act.
<b>(vi)</b>	<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person</b>	Taking into consideration the size of the Company, the profile of Mr. Anjan Chatterjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar senior level counterpart(s) in the industry.	Taking into consideration the size of the Company, the profile of Mr. Indranil Chatterjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar senior level counterpart(s) in the industry.	Taking into consideration the size of the Company, the profile of Mr. Avik Chatterjee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is in commensurate with the remuneration package paid to similar level counterpart(s) in the industry.

	Particulars	Name of the Director		
		Mr. Anjan Chatterjee	Mr. Indranil Chatterjee	Mr. Avik Chatterjee
(vii)	<b>Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any</b>	Except for the remuneration paid to him, to the extent of shares held and the related party transactions entered into with the Company by Mr. Anjan Chatterjee and his relatives or the companies in which he is interested, which has been approved by the Audit Committee, Mr. Anjan Chatterjee has no other pecuniary relationship with the Company except Mrs. Suchhanda Chatterjee (Spouse) and Mr. Avik Chatterjee (Son).	Except for the remuneration paid to him and to the extent of shares held, Mr. Indranil Chatterjee has no other pecuniary relationship with the Company or relationship with the managerial personnel.	Except for the remuneration paid to him, to the extent of shares held and the related party transactions entered into with the Company by Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee, relatives of Mr. Avik Chatterjee, which has been approved by the Audit Committee, Mr. Avik Chatterjee has no other pecuniary relationship with the Company except Mr. Anjan Chatterjee and Mrs. Suchhanda Chatterjee (Father and Mother of Mr. Avik Chatterjee).
(III)	<b>Other Information</b>			
(i)	<b>Reasons of loss or inadequate profits</b>	Reduction in discretionary spending power of consumers, the negative same store sales growth and lower footfalls during the weekdays has affected the profitability of the restaurant industry, in general and thereby resulted in decline in the profitability level. The longer break-even in some of the restaurants, Impairment of Investment and receivables resulted in loss during the financial year 2019-20.		
(ii)	<b>Steps taken or proposed to be taken for improvement</b>	The Company is taking steps to control costs and in the process of closing unviable restaurants with the aim of optimising the cost and improving the revenue and profits.		
(iii)	<b>Expected increase in productivity and profits in measurable terms</b>	The Company expects to achieve desired level of revenue and profitability over a period of time.		
(IV)	<b>Disclosures:</b>	The relevant disclosures with regard to the remuneration, service contracts, notice period, stock options etc., have been given on page no. 78 of the Annual Report.		

**By Order of the Board**  
For **Speciality Restaurants Limited**

**Avinash Kinshikar**  
**Company Secretary and Legal Head**  
**(Membership No. - FCS 8364)**

Place: Mumbai  
Date: July 23, 2020

**Registered Office:** Uniworth House,  
3A, Gurusaday Road, Kolkata 700 019.  
**CIN:** L55101WB1999PLC090672.  
**E-mail:** corporate@speciality.co.in  
**Phone:** 033-22837964.  
**Website:** www.speciality.co.in



**Details of the Director seeking appointment or re-appointment at the 21<sup>st</sup> AGM**

**(Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard (SS-2) on General Meetings issued by the Institute of Company Secretaries of India)**

<b>Name of the Director</b>	<b>Mr. Anjan Chatterjee</b>	<b>Mrs. Suchhanda Chatterjee</b>	<b>Mr. Indranil Chatterjee</b>
Director Identification Number (DIN)	00200443	00226893	00200577
Date of Birth and Age	February 16, 1959, 61 years	October 9, 1965, 55 years	April 22, 1960, 60 years
Date of First Appointment on the Board	December 1, 1999	December 1, 1999	August 18, 2005
Qualifications	Bachelor's Degree in Science and a Diploma in Hotel Management, Catering Technology and Applied Nutrition.	B.A.	B.Com., Post Graduate Diploma in Business Management
Brief Resume	Mr. Anjan Chatterjee is a Chairman and Managing Director of the Company. He has been Director of the Company since December 1, 1999. He holds a Bachelor's Degree in Science from University of Calcutta and obtained a Diploma in Hotel Management, Catering Technology and Applied Nutrition from the State Council for Engineering and Technical Education, West Bengal. He has over 30 years of experience in the advertising and hospitality industry which includes training at The Indian Hotels Company Limited as a management trainee.	Mrs. Suchhanda Chatterjee is a whole-time Director of the Company. She has been Director of the Company since December 1, 1999. She holds a Bachelor's Degree in Arts from University of Calcutta. She has over 20 years of experience in the Hospitality industry.	Mr. Indranil Chatterjee, is a whole-time Director of the Company. He has been a Director of the Company since August 18, 2005. He holds a Bachelor's Degree in Commerce from University of Calcutta and a Post Graduate Diploma in Business Management from Institute of Modern Management, Calcutta.
Current Designation	Chairman and Managing Director	Whole-time Director designated as Director-Interior & Design.	Deputy Managing Director
Nature of expertise in specific functional areas	Over 30 years of experience in Advertising and Hospitality industry.	Over 20 years of experience in the Hospitality industry.	Over 30 years of experience in the field of Finance and Marketing. He brings to the table his well rounded management skills and strategic inputs for the Company's growth and expansion plans.
Details of other Directorships/ Membership/Chairmanships of the Committees of other Boards*	(i) Names of listed entities in which the person holds the Directorship and  (ii) the Membership of Committees of the Board **		
	Managing Director of Speciality Restaurants Limited.  Speciality Restaurants Limited Audit Committee – Member Stakeholders Relationship Committee - Member	Whole-Time Director of Speciality Restaurants Limited.  -	Deputy Managing Director of Speciality Restaurants Limited.  Speciality Restaurants Limited Stakeholders Relationship Committee – Member
Disclosure of relationship with other Directors inter se, Manager, and other Key Managerial Personnel of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company or their relatives except Mrs. Suchhanda Chatterjee and Mr. Avik Chatterjee, Whole-time Directors of the Company	Not related to any Director, Manager, and other Key Managerial Personnel of the Company except Mr. Anjan Chatterjee, Chairman & Managing Director and Mr. Avik Chatterjee, Whole-time Director of the Company.	Not related to any Director, Manager and other Key Managerial Personnel of the Company.
No. of shares held in the Company	1,20,70,000	1,19,70,000	1,299
Terms and conditions of appointment	Refer Item No. 4 of the Notice of the AGM dated July 23, 2020	Not applicable since the Whole-time Director retires by rotation in this AGM.	Refer Item No. 5 of the Notice of the AGM dated July 23, 2020

Name of the Director	Mr. Anjan Chatterjee	Mrs. Suchhanda Chatterjee	Mr. Indranil Chatterjee
Details of remuneration sought to be paid	Refer Item No. 4 of the Notice of the AGM dated July 23, 2020	Not Applicable since the Whole-time Director retires by rotation. Members have already approved re-appointment including terms of remuneration of Mrs. Suchhanda Chatterjee as a Whole-time Director (designated as Director – Interior and Design) of the Company for a period of three years with effect from July 1, 2018 up to June 30, 2021 at the 19th AGM held on August 27, 2018.	Refer Item No. 5 of the Notice of the AGM dated July 23, 2020
Last drawn remuneration	₹ 57,50,000/- for the financial year 2019-20.	₹ 20,12,500/- for the financial year 2019-20.	₹ 21,25,000/- for the financial year 2019-20.
No of meetings of the Board attended during the financial year 2019-20	5 Meetings	2 Meetings	6 Meetings

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies

\*\*Only two committees viz. Audit Committee and Shareholders Relationship Committee have been considered.

Name of the Director	Mr. Avik Chatterjee	Dr. Anita Bandyopadhyay
Director Identification Number (DIN)	06452245	08672071
Date of Birth and Age	February 15, 1992, 28 years	November 5, 1968, 52 years
Date of First Appointment on the Board	February 3, 2020	February 3, 2020
Qualifications	Bachelor's Degree in Business Administration from Kingston University, London.	Doctorate in Applied Psychology from Kolkata University and an Executive MBA from SP Jain Institute of Management & Research, Mumbai.
Brief Resume	Please refer to Paragraph No. 31 of the Explanatory Statement to the Notice of the AGM dated July 23, 2020.	Please refer to Paragraph 39 of the Explanatory Statement to Notice of AGM dated July 23, 2020.
Current Designation	Additional Whole-time Director (designated as Executive Director – Innovation and New Formats)	Additional Independent Director
Nature of expertise in specific functional areas	Research and development towards food and beverage and identification of new markets and customer needs / preferences.	Please refer to Paragraph 39 of the Explanatory Statement to the Notice of the AGM dated July 23, 2020.
Details of other Directorships/ Membership/Chairmanships of the Committees of other Boards*		
(i) Names of listed entities in which the person holds the Directorship and (ii) the Membership of Committees of the Board **	Additional Whole-time Director of Speciality Restaurants Limited. Nil	Additional Independent Director of Speciality Restaurants Limited. Nil
Disclosure of relationship with other Directors inter se, Manager, and other Key Managerial Personnel of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company or their relatives except Mr. Anjan Chatterjee, Chairman and Managing Director and Mrs. Suchhanda Chatterjee, Whole-time Director of the Company.	Not related to any Director, Manager, and other Key Managerial Personnel of the Company or their relatives.
No. of shares held in the Company	19	Nil
Terms and conditions of appointment	Refer Item No. 6 and 7 of the Notice of the AGM dated July 23, 2020.	Refer Item No. 8 of the Notice of the AGM dated July 23, 2020.
Details of remuneration sought to be paid	Refer Item No. 7 of the Notice of the AGM dated July 23, 2020.	Dr. Anita Bandyopadhyay will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/Chairman and commission which may be approved by the Board of Directors.
Last drawn remuneration	₹ 2,25,000/- for the period February 2020 to March 2020.	Not applicable
No of meetings of the Board attended during the financial year 2019-20	Not applicable	Not applicable

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies

\*\*Only two committees viz. Audit Committee and Shareholders Relationship Committee have been considered.



## DIRECTORS' REPORT

To,  
The Members  
Speciality Restaurants Limited

Your Directors hereby present the Twenty First Annual Report together with the audited Financial Statements of the Company for the financial year ended March 31, 2020.

### 1. Financial Results

₹ In Millions

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from operations	3,577.9	3,463.6	3,577.9	3,463.6
Other Income	99.6	94.6	102.7	94.6
<b>Total Income</b>	<b>3,677.5</b>	<b>3,558.2</b>	<b>3,680.6</b>	<b>3,558.2</b>
Earnings before Interest, Depreciation, Amortization and Tax	669.6	233.7	672.4	219.3
Less:				
Finance Costs	211.5	0.0	211.4	0.0
Depreciation /Amortization/Impairment	574.9	287.0	574.9	287.0
<b>Loss before exceptional item and tax</b>	<b>(116.8)</b>	<b>(53.3)</b>	<b>(113.9)</b>	<b>(67.8)</b>
Share of loss in Joint venture company	-	-	(1.3)	(0.2)
<b>Loss before exceptional item and tax</b>	<b>(116.8)</b>	<b>(53.3)</b>	<b>(115.2)</b>	<b>(68.0)</b>
Less: Exceptional item	(273.8)	-	(273.8)	-
<b>Loss before Tax</b>	<b>(390.6)</b>	<b>(53.3)</b>	<b>(389.0)</b>	<b>(68.0)</b>
Less: Taxes Expenses / (credit)				
Current Tax	-	9.0	-	9.0
Deferred Tax	-	-	-	-
Short provision for tax relating to prior years	(9.0)	1.1	(9.0)	1.1
<b>Loss for the year</b>	<b>(381.6)</b>	<b>(63.4)</b>	<b>(380.0)</b>	<b>(78.1)</b>
Total other comprehensive (loss) / income	(6.9)	(4.5)	(4.2)	(5.3)
<b>Total comprehensive loss for the period</b>	<b>(388.5)</b>	<b>(67.9)</b>	<b>(384.2)</b>	<b>(83.4)</b>

### 2. Financial Performance and the state of Company's affairs

Your Company's performance for the financial year 2019-20 needs to be analysed in the context of the economic and operating environment as under:

- (i) Total Income of your Company for the year under review, which was ₹ 3,677.5 million as against ₹ 3,558.2 million in the previous year, registered a growth of 3.35%.
- (ii) The earnings before Depreciation, Interest, Tax and Amortization (EBDITA), which amounted to ₹ 669.6 million (18.21% of the revenue) as against ₹ 233.7 million (6.57% of the revenue) in the previous year.
- (iii) Total comprehensive loss for the year under review was ₹ (388.5) million as against ₹ (67.9) million in the previous year.

The detailed analysis on financial performance is included under the Management Discussion and Analysis Report.

However, it is to be noted that the performance of the Company during March 2020 was impacted by the lockdown declared and closure of restaurants on account of the COVID - 19 pandemic.

During the year under review, your Company opened seventeen (17) restaurants out of which twelve (12) are Company Owned Company Operated (COCO) while five (5) are Franchise Owned Company Operated (FOCO) and eight (8) confectionaries. At the end of financial year ended March 31, 2020, your Company has 109 restaurants (including 26 franchisees) and 31 confectionaries.

### 3. Dividend on Equity Shares

The Board of Directors of your Company (the "Board"), after considering the financial performance during the year under review, has decided not to recommend any dividend for the year under review (previous year- Nil).

### 4. Employee Stock Option Scheme (ESOS)

During the year under review, the Company has not granted any fresh stock option to its employees. Details of the options granted under Employee Stock Option Scheme (ESOS), as also the disclosures in compliance with Section 62 of the Companies Act, 2013, as amended and the rules made thereunder ("Companies Act") and Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") and SEBI (Share Based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") are given in Annexure A which forms part of this report.

Certificate from Statutory Auditors M/s. Singhi and Co., Chartered Accountants, with regard to implementation of ESOS Scheme of the Company in compliance with SEBI Regulations would be available for electronic inspection by the Members at the ensuing annual general meeting.



## 5. Audited Financial Statements

As per Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020 i.e. Balance Sheet, Statement of Profit and Loss and Cash Flow Statement are appended hereto.

There has been no material changes and commitments, which affect the financial position of the Company subsequent to the close of the financial year ended March 31, 2020 and till the date of this report, except for the impact arising out of COVID-19, which is detailed in this Report.

## 6. Subsidiary

The Company has two wholly owned subsidiaries and two step down subsidiaries as on March 31, 2020. There has been no material change in the nature of the business of the subsidiaries.

### (i) Wholly Owned Subsidiaries:

- a. Speciality Hospitality UK Limited was incorporated as a private limited company, limited by shares (bearing company number 10927982) on August 22, 2017, registered with The Registrar of Companies for England and Wales, having its registered office at 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom.
- b. Speciality Hospitality US, Inc. (bearing number – 803423900) was incorporated on September 19, 2019, which is registered with Office of the Secretary of State of Texas, having its registered office at 6161 Savoy Drive, Suite 1000, Houston TX 77036.

### (ii) Step Down Subsidiaries:

- a. Caterland Hospitality Ltd. was incorporated on July 18, 2019, as a private limited company, limited by shares (bearing company number 12109778) registered with The Registrar of Companies for England and Wales, having its registered office at 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom.
- b. Foodland Ventures, LLC was incorporated on October 7, 2019, (bearing number – 803436901) which is registered with Office of the Secretary of State of Texas, having its registered office at 9894 Bissonnet Street, Suit 638, Houston TX 77036.

During the year under review, a Joint Venture Agreement dated July 24, 2019 was entered into between Speciality Hospitality UK Limited, a wholly owned subsidiary (“WOS”) of the Company and Homage Ventures LLP, to setup, own and operate restaurant in London, United Kingdom under Caterland Hospitality Ltd.

During the year under review, a Joint Venture Agreement dated January 10, 2020 was entered into between Speciality Hospitality US, Inc., a wholly owned subsidiary (WOS) of the Company and Associated Hospitality & Developers LLC, to setup, own and operate restaurants in United States of America under Foodland Ventures LLC.

The Consolidated Financial Statements of your Company, its joint venture, WOS and step down subsidiaries, prepared in accordance with the relevant accounting standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the consolidated accounts.

Pursuant to the provisions of Section 129(3) of the Companies Act, a statement containing salient features of the financial statements of WOS and step down subsidiaries in Form AOC-1 is attached to the Financial Statements of your Company.

## 7. Joint Venture

Your Company has a joint venture company, Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) at Doha, Qatar. The Consolidated Financial Statements of your Company and its joint venture company, prepared in accordance with the relevant accounting standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the consolidated accounts.

The partners of the joint venture company, in view of the losses incurred, discontinued operations of the Mainland China Restaurant with effect from May 16, 2017. The Company is in the process of voluntary liquidation of the joint venture, Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC) at Doha, Qatar.

Pursuant to the provisions of Section 129(3) of the Companies Act, a statement containing salient features of the financial statements of joint venture company in Form AOC-1 is attached to the Financial Statements of your Company.

## 8. Awards and Recognition

Your Company’s brand initiatives have been recognized and appreciated across forums. During the year under review your Company has won the following awards:

Name & Place of Restaurant	Awards Won
Sigree, Anna Nagar, Chennai	Rocheston – Distinguished Restaurant
Oh! Calcutta, Gurgaon	Best Regional Cuisine Award by Eazydiner Foodie Awards
Riyasat, Kolkata	Best Progressive Indian – Casual Dining (Times food and night life awards)
Riyasat, Kolkata	Best Indian By The Telegraph
BARishh, Kolkata	Best Debutant Lounge By The Telegraph
Cafe Mezzuna, Kolkata	Best Italian in Premium Dine In by The Telegraph
Cafe Mezzuna, Kolkata	Best Italian in Premium Dine In (Times food and night life awards)
Mainland China, Pune	Best Chinese - (Times food and night life awards)



## 9. Directors and Key Managerial Personnel

### (i) Directors

Your Company has eight (8) Directors comprising four (4) Independent and four (4) Executive Directors.

### (ii) Independent Directors

In terms of the definition of 'Independent Directors' as prescribed under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, the Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, to the effect that each of them meet the criteria of independence laid down in Section 149(6) of the Companies Act and Regulation 16(1) of the Listing Regulations and they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence as required under Regulation 25 of Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

The following Non-Executive Directors are Independent Directors of the Company:

1. Mr. Dushyant Mehta
2. Mr. Ullal Ravindra Bhat
3. Mr. Rakesh Pandey
4. Dr. Anita Bandyopadhyay (appointed with effect from February 3, 2020)

In terms of Section 150 of the Companies Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs.

### (iii) Woman Director

Mrs. Suchhanda Chatterjee is a Director of the Company since the incorporation of the Company. Accordingly, the requirements of the provisions of Section 149 of the Companies Act and Regulation 17(1) of the Listing Regulations have been complied with by the Company.

In terms of Regulation 17 of Listing Regulations, at least 50% of the Board should comprise of non-executive independent directors with at least one woman director. In order to comply with the requirement, the Board appointed Dr. Anita Bandyopadhyay (DIN: 08672071) as an Additional Non-Executive Independent Director of the Company for a term of five years with effect from February 3, 2020, subject to the approval of the Members.

### (iv) Managing Director and Whole-time Directors

Mr. Anjan Chatterjee has been serving as the Managing Director of the Company since December 2007. He has been appointed as the Chairman of the Board of Directors with effect from September 11, 2017.

Mrs. Suchhanda Chatterjee has been serving as the Whole-time Director of the Company since July 2010.

Mr. Indranil Chatterjee, Whole-time Director (designated as Director – Commercial Operations) was designated and appointed as Deputy Managing Director of the Company with effect from February 3, 2020 to February 2, 2023, subject to the approval of the Members of the Company.

Mr. Avik Chatterjee was appointed as Whole-time Director (designated as Executive Director – Innovation and New Formats) of the Company for a period of three years with effect from February 3, 2020 to February 2, 2023, subject to the approval of Members of the Company.

Further details about the directors seeking appointment in the ensuing Annual General Meeting are annexed to the Notice which is being sent to the Members along with the Annual Report.

### (v) Re-appointment of Director

#### Suchhanda Chatterjee (DIN: 00226893)

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Mrs. Suchhanda Chatterjee, (DIN: 00226893) Director of the Company retires by rotation at the ensuing annual general meeting and being eligible, offers herself for re-appointment.

#### Anjan Chatterjee (DIN: 00200443)

The Board of Directors of the Company at their meeting held on July 23, 2020, subject to the approval of the Members in the ensuing annual general meeting of the Company, approved the re-appointment of Mr. Anjan Chatterjee, as Managing Director of the Company for a period of three years with effect from December 27, 2020.

### (vi) Key Managerial Personnel

Mr. Anjan Chatterjee, Chairman & Managing Director; Mrs. Suchhanda Chatterjee, Whole-time Director; Mr. Indranil Chatterjee, Whole-time Director; Mr. Rajesh Kumar Mohta, Executive Director-Finance and CFO and Mr. Avinash Kinkhikar, Company Secretary & Legal Head are the Key Managerial Personnel of the Company as per the provisions of the Companies Act.

**(vii) Evaluation of Performance of the Directors, Board and Committees of the Board**

Pursuant to the applicable provisions of the Companies Act, the Listing Regulations and SEBI Guidance Note on Board Evaluation, the Board has carried out an annual evaluation of its own performance, the performance of its directors as well as evaluation of its committees.

The manner in which the formal annual evaluation of the directors, committees of the Board and the Board as a whole is disclosed in the report on Corporate Governance which forms part of the Annual Report.

**(viii) Policy on Directors' appointment, remuneration and other details**

The Company's policy relating to remuneration of directors, key managerial personnel and other employees as stipulated in Section 178 (3) of the Companies Act has been disclosed in the Corporate Governance report, which forms part of this report.

**(ix) Number of Board Meetings**

The Board of Directors met six (6) times during the financial year ended March 31, 2020 and the intervening gap between the meetings did not exceed the period prescribed under Companies Act. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of this Annual Report.

The separate Independent Director's meeting scheduled on March 31, 2020 was rescheduled to June 29, 2020, due to outbreak of COVID-19 pandemic. This meeting was conducted through video conferencing without the presence of Non-Independent Directors and members of the management in compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Companies Act.

Besides the above, several committee meetings of the Board were held during the financial year ended March 31, 2020, the detailed information of which is included in the report on Corporate Governance.

**10. Share Capital**

The Paid-up Equity Share Capital of the Company as on March 31, 2020 was ₹ 46,95,76,570/-. During the year under review, there was no change in the issued, subscribed and paid-up share capital of the Company.

**11. Related Party Transactions**

All the related party contracts, arrangements and transactions during the year under review were entered in the ordinary course of business and on arm's length basis. There were no materially significant related party contracts, arrangements and transactions entered during the year by your Company. Accordingly, the disclosure of related party transactions in Form AOC-2 is not provided.

All related party contracts, arrangements and transactions were presented to the Audit Committee for review and approval. Prior omnibus approval granted by the Audit Committee of the Company for the related party transactions which are foreseen and repetitive in nature were reviewed by the Committee on quarterly basis.

The Policy on Materiality of Related Party Transactions and also on dealing with related party transactions as approved by the Board is uploaded on the Company's website at the following web link [http://www.speciality.co.in/pdf/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS\\_AND\\_ALSO\\_ON\\_DEALING\\_WITH\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf).

The details of the transactions with related parties are provided in the accompanying financial statements.

**12. Report on Corporate Governance**

The report on Corporate Governance as stipulated under Regulation 34(3) read with para C of Schedule V to the Listing Regulations forms part of the Annual Report. The requisite certificate from the practising company secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is attached to report on Corporate Governance.

**13. Management Discussion and Analysis Report**

As stipulated under Regulation 34(2) of the Listing Regulations, Management Discussion and Analysis Report for the financial year under review is provided in a separate section forming part of this report.

**14. Composition of Audit Committee**

The details relating to the composition of the Audit Committee are provided in the Report on Corporate Governance which forms part of this report.

**15. Corporate Social Responsibility**

In terms of Section 135 of the Companies Act, the Board has constituted a Corporate Social Responsibility Committee ("CSR Committee") under the Chairmanship of an Independent Director of the Company. The CSR Committee of the Board has formulated a CSR Policy which has been uploaded on the website of the Company at [http://www.speciality.co.in/pdf/policies/CORPORATE\\_SOCIAL\\_RESPONSIBILITY\\_POLICY.pdf](http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf).

The Annual Report on CSR activities as prescribed under Section 135 of the Companies Act is annexed as Annexure B which forms part of this report.

**16. Vigil Mechanism / Whistle Blower Policy**

In pursuance of the provisions of Sections 177(9) and 177(10) of the Companies Act, a vigil mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [http://www.speciality.co.in/pdf/policies/VIGIL\\_MECHANISM\\_POLICY.pdf](http://www.speciality.co.in/pdf/policies/VIGIL_MECHANISM_POLICY.pdf).



## 17. Risk Management

The Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the areas of internal financial and risk management systems. Other details including details pertaining to various risks faced by your Company and also development and implementation of risk management policy is provided in a separate section forming part of the Annual Report.

## 18. Particulars of loans, guarantees or investments

Disclosure on particulars relating to loans, guarantees or investments made during the financial year ended March 31, 2020 under Section 186 of the Companies Act is given in the notes to the Financial Statements.

## 19. Consolidated Financial Statement

The Consolidated Financial Statement of the Company, its joint venture company, wholly owned subsidiaries and step down subsidiaries for the financial year 2019-20 are prepared in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of the Annual Report and are reflected in the Consolidated Financial Statement of the Company.

The Company prepared its financial statements in accordance with Ind-AS, including accounting standard read with Section 133 of the Companies Act notified under the Companies (Accounting Standard) Rules, 2006.

In accordance with third proviso of Section 136(1) of the Companies Act, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements, has been placed on the website of the Company, [www.speciality.co.in](http://www.speciality.co.in). Further, financial statements of WOS has also been placed on the website of the Company i.e. [www.speciality.co.in](http://www.speciality.co.in).

## 20. Internal Financial Controls System and their adequacy

Your Company has laid down adequate internal financial controls system, through requisite policies and procedures which commensurate with its size and the nature of its operations. Such controls are operating effectively to ensure accuracy and completeness of the accounting records, the timely preparation of reliable financial information along with the orderly and efficient conduct of business.

In addition, during financial year 2019-20, as required under Section 143 of the Companies Act, the statutory auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020.

Details of internal controls system are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## 21. Auditors and Audit Reports

### (i) Statutory Auditors and their report

At the twentieth annual general meeting held on August 23, 2019, the Members approved appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as Statutory Auditors of the Company (the "Statutory Auditors") to hold office for a period of five years from the conclusion of that annual general meeting till the conclusion of the twenty fifth annual general meeting to be held in the year 2024. The Statutory Auditors' Report for FY 2019-20 on the financial statement of the Company forms part of this Annual Report. The report does not contain any qualifications, reservations or adverse remarks or disclaimer. The Statutory Auditors of the Company have not reported any fraud as specified in Section 143(12) of the Companies Act.

### (ii) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. GMJ & Associates, a firm of Company Secretaries in practice, to conduct the secretarial audit of your Company for the financial year ended March 31, 2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed as Annexure C which forms part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 22. Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

## 23. Particulars of Employees

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure D which forms part of this report.

The information in respect of employees of the Company required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the aforesaid annexure. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

## 24. Statutory Disclosures

### (i) Conservation of Energy, Technology Absorption and Foreign Exchange and Outgo

#### 1. Conservation of Energy

The disclosures required as per the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3)(A) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy is detailed below:

The Company values the significance of conservation of energy and remain conscious about the environmental impact of its business operations and continuously strives to improve energy efficiency through various initiatives. During the year, the Company continued to undertake a variety of energy conservation measures across all its restaurants, making continuous efforts for judicious use of energy at all levels of operations by utilizing energy efficient system and processes.

#### (a) The steps taken or impact on conservation of energy

- Installed energy efficient LED lights in all restaurants;
- Installed energy management system in 25 restaurants; and
- Installed energy saving sensors in the AC System of 25 restaurants.

#### (b) The steps taken by the Company for utilizing alternate sources of energy

The Company has a installed 20KW solar power plant at the Mainland China Restaurant at Greater Kailash (GK—II) at New Delhi, which is presently under renovation.

#### (c) The capital investment on energy conservation equipments

The Company made one time capital investment of ₹ 5.12 million on energy management system during financial year 2016-17 and 2017-18. The Company during financial year 2019-20 spent ₹ 1.80 million in order to maintain energy management system.

#### 2. Technology Absorption

The activities of the Company are not covered under the disclosure required as per the provisions of Section 134(3)(m) of the Companies Act read with Rule 8(3)(B) of the Companies (Accounts) Rules, 2014 regarding technology absorption. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

#### 3. Foreign Exchange Earnings and Outgo

The disclosure required as per the provisions of Section 134(3)(m) of the Companies Act read with Rule 8(3)(C) the Companies (Accounts) Rules, 2014 regarding foreign exchange earned in terms of actual inflows and foreign exchange outgo during the year under review in terms of actual outflows are given below:

₹ in millions

Foreign Exchange Earnings and Outgo	FY 2019-20	FY 2018-19
Foreign Exchange Earned in terms of actual inflows	12.11	14.3
Foreign Exchange Outgo in terms of actual outflows	2.1	3.1

### (ii) Prevention of Sexual Harassment:

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has complied with the provisions relating to the constitution of Internal Complaints Committee and no complaint has been received during the year under review.

(iii) No stock options were granted to the directors of your Company during the year under review

(iv) Additional information and details as specified in Rule 8(5) of the Companies (Accounts) Rules, 2014 are included in the Directors' Report.

## 25. General Disclosures

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares including sweat equity shares to employees of the Company under any scheme save and except Employee Stock Options Scheme referred to in this Report.





- (iv) Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from the subsidiary Companies.
- (v) No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

#### 26. Credit Ratings:

The credit ratings obtained by the Company along with any revision thereto has been disclosed in the Corporate Governance Report which forms part of this report.

#### 27. Extracts of Annual Return

Pursuant to Sections 134(3)(a) and 92(3) of the Companies Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return as at March 31, 2020 is annexed as Annexure E which forms part of this report.

#### 28. Directors' Responsibility Statement

The Directors confirm that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year ended March 31, 2020 and of the loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 29. Utilisation of net proceeds from the Initial Public Offering ("Issue")

Pursuant to the approval of the Members of the Company obtained through postal ballot on November 27, 2015 the objects of the issue as disclosed in the prospectus dated May 22, 2012 issued by the Company for its issue were varied. In terms of variation, the Company had proposed to utilise the balance unutilised amount of ₹ 578.5 million as on March 31, 2015 towards development of new restaurants or conversion of existing restaurants under new formats in various locations across the country depending upon various factors such as the customer's preference, competition, suitable location, selection of suitable premises at an affordable rent, etc., in the financial years 2015-18.

The Company had utilized ₹ 355.4 million upto March 31, 2018 out of the balance unutilized amount of ₹ 578.5 million towards the new objects relating to the business of the Company approved by the Members on November 27, 2015

The approval of Members was received through postal ballot on March 24, 2018 for variation in terms of the contract or objects of the issue, to utilise the balance amount towards development of new restaurants or conversion of existing restaurants under new formats for further period of three (3) years with effect from April 1, 2018

The initial public offer (IPO) proceeds raised as per the prospectus dated May 22, 2012 have been fully utilized during the year review for the purposes as stated in the prospectus issued for the IPO.

#### 30. Acknowledgement

Your Directors would like to express their appreciation for the assistance and co-operation received from the banks, government authorities, customers, vendors and members during the year under review.

Your Directors also wish to place on record their appreciation for the committed services by the executives, staff and employees of the Company.

**For and on behalf of the Board  
Speciality Restaurants Limited**

**Anjan Chatterjee  
Chairman & Managing Director  
(DIN: 00200443)**

Place: Mumbai  
Date: July 23, 2020

## ANNEXURE A

### (forming part of the Director's Report)

Disclosure under Section 62 of Companies Act, 2013, Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "SEBI Guidelines") and Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (the "SEBI Regulations") for the year ended March 31, 2020.

Sr. No.	Description	Speciality Restaurants Limited-Employee Stock Options Scheme 2012
(i) (a)	Date of Shareholders' approval	September 28, 2012
(b)	Total number of options approved under ESOS	14,08,730
(c)	No. of options granted	5,77,200
(d)	No. of Options vested	5,00,200
(e)	Total Number of Options exercised	Nil since no option was exercised.
(f)	Total number of Ordinary Shares of ₹ 10 each arising as a result of exercise of options	Nil
(g)	Total Number of Options lapsed	4,84,850
(h)	Variation of terms of Options	Nil
(i)	Money realized by exercise of options during the year	Nil, since no option was exercised during the financial year 2019-20.
(j)	Total number of Options in force	92,350
(k)	Vesting requirements	Options granted under SRL-ESOP 2012 would vest not less than one year and not more than six years from the date of grant of such vesting options.
(l)	Exercise Price	₹ 126.20
(m)	Pricing Formula	The exercise price approved by the Board Governance and Remuneration Committee of the Company (now known as Nomination and Remuneration Committee) under the authority of the Board and Members, was the market price which was the latest available closing price on the stock exchange on which the shares of the Company are listed where there was highest trading volume prior to the date of meeting of the Committee in which the Options were granted.
(n)	Maximum term of Options granted	During seven years from the date of grant.
(o)	Source of shares	Primary (Allotment by the Company upon exercise of option).
(ii) (a)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the fair value method of accounting for Options granted under the Company's Employee Stock Option Scheme.
(b)	When the Company opts for expensing the options using the intrinsic value of options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Not Applicable
(c)	The impact of this difference on profits and on Earnings Per Share of the Company	Not Applicable
(iii)	Option movement during the year	
	Particulars	Details
	Number of options outstanding at the beginning of the period	1,88,400
	Number of options granted during the year	Nil
	Number of options forfeited/ lapsed during the year	96,050
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of Options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	92,350
	Number of options exercisable at the end of the year	92,350



Sr. No.	Description	Speciality Restaurants Limited-Employee Stock Options Scheme 2012											
(iv)	Weighted average exercise prices and weighted average fair values of Options granted for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price per Option: ₹ 126.20 Weighted average fair value per Option: ₹ 48.87											
(v) (a)	Details of Options granted to Senior Management Personnel	No options have been granted during financial year 2019-20.											
	<b>Sr. No.</b>	<b>Name</b>											
	<b>No. of Options Granted during the financial year 2013-14</b>												
	1	Mr. Indranil Chatterjee*											
	2	Mr. Phiroz Sadri											
	3	Mr. Rajesh Kumar Dubey											
	4	Mr. Rajesh Kumar Mohta*											
	5	Mr. Nripendra Chauhan											
	6	Mr. Ramchander											
	*Key Managerial Personnel of the Company.												
(b)	Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	None											
(c)	Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and Conversions) of the Company at the time of grant.	None											
(vi) (a)	A description of the method and significant assumptions used during the year to estimate the fair value of the Options	The fair value of each Option is estimated using Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:- <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">(i)</td> <td style="width: 80%;">Risk-free interest rate</td> <td rowspan="5" style="width: 15%; text-align: center; vertical-align: middle;">The Company has not granted any options during the financial year 2019-20.</td> </tr> <tr> <td style="text-align: center;">(ii)</td> <td>Expected life</td> </tr> <tr> <td style="text-align: center;">(iii)</td> <td>Expected volatility</td> </tr> <tr> <td style="text-align: center;">(iv)</td> <td>Expected Dividend yield</td> </tr> <tr> <td style="text-align: center;">(v)</td> <td>The price of the underlying Shares in market at the time of Option grant</td> </tr> </table>	(i)	Risk-free interest rate	The Company has not granted any options during the financial year 2019-20.	(ii)	Expected life	(iii)	Expected volatility	(iv)	Expected Dividend yield	(v)	The price of the underlying Shares in market at the time of Option grant
(i)	Risk-free interest rate	The Company has not granted any options during the financial year 2019-20.											
(ii)	Expected life												
(iii)	Expected volatility												
(iv)	Expected Dividend yield												
(v)	The price of the underlying Shares in market at the time of Option grant												
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable											
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.											
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of options except as mentioned in point vi (a) above.											
(vii)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings Per Share'.	Nil, since no option was exercised during the year.											

**For and on behalf of the Board  
Speciality Restaurants Limited**

**Anjan Chatterjee  
Chairman & Managing Director  
(DIN: 00200443)**

Place: Mumbai  
Date: July 23, 2020

**ANNEXURE-B**  
**(forming part of Directors' Report)**

**Annual Report on Corporate Social Responsibility Activities**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. A brief summary of initiative taken during the financial year 2019-20 is given below:-

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to web-link to the CSR Policy and Projects or programs	<p>A brief outline of the Companies CSR Policy:</p> <p>The Company has framed the CSR Policy to identify and support initiatives aimed at:</p> <ul style="list-style-type: none"> <li>(i) eradicating hunger, poverty and malnutrition, promoting health care and sanitation and improving the quality of life and economic well being of individuals;</li> <li>(ii) training, providing and supporting educational needs of the underprivileged segments of society; and</li> <li>(iii) such other activities as may be permissible under Schedule VII of the Companies Act, 2013 and the relevant rules.</li> </ul> <p>The Board of Directors of the Company have already framed the Corporate Social Responsibility Policy based on the recommendation of CSR Committee and the same has been displayed on the Company's website at the following weblink:</p> <p><a href="http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf">http://www.speciality.co.in/pdf/policies/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf</a></p> <p>In view of the inadequacy of profits, as per the provisions of the Companies Act, 2013, no amount was available to be contributed by the Company towards CSR activities for the Financial Year 2019-20.</p>
2	Composition of the CSR Committee	<p>The composition of the CSR Committee is as under:-</p> <p>Mr. Dushyant Mehta—Chairman</p> <p>Mrs. Suchhanda Chatterjee-Member</p> <p>Mr. Ullal R. Bhat-Member</p>
3	Average Net Profits of the Company for the past three financial years.	Nil
4	Prescribed CSR expenditure (Two Percent of the amount as in item 3 above).	Nil
5	Details of CSR spent during the financial year 2019-20.	
	(i) Total amount to be spent for the financial year 2019-20.	Nil
	(ii) Amount un-spent if any.	Not applicable
	(iii) Manner in which the amount spent during the financial year 2019-20.	Not applicable
6	In case the Company has failed to spend the two per cent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending in its Board Report.	Not applicable
7	A responsibility of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.	The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives and Policy of the Company.

Place: Mumbai  
Date: July 23, 2020

**Anjan Chatterjee**  
**Chairman & Managing Director**  
**(DIN: 00200443)**

**Dushyant Mehta**  
**Chairman—CSR Committee**  
**(DIN: 00126977)**

**ANNEXURE-C**  
**(forming part of Directors' Report)**  
**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**Speciality Restaurants Limited**  
Uniworth House,  
3A, Gurusaday Road,  
Kolkata- 700 019.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Speciality Restaurants Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;[Not applicable during the period of audit]
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit]
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]
  - i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; [Not applicable during the period of audit]
- vi. We have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations which are mentioned as under:
  - a) Legal Metrology Act, 2009;
  - b) Food Safety and Standards Act, 2006;
  - c) Food Safety and Standards Rules, 2011 and the regulations framed thereunder;
  - d) Food Safety and Standards (Packing & Labelling) Regulations, 2011.

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

For **GMJ & ASSOCIATES**

*Company Secretaries*

**[CS PRABHAT MAHESHWARI]**

**PARTNER**

**M. No. : FCS 2405**

**COP No.: 1432**

**UDIN: F00240SB000493269**

**PLACE: MUMBAI**

**DATE: 23<sup>RD</sup> JULY, 2020**

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

### **'Annexure I' to Secretarial Audit Report**

To,  
The Members,  
**Speciality Restaurants Limited**  
Uniworth House, 3A, Gurusaday Road,  
Kolkata – 700 019.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**

*Company Secretaries*

**[CS PRABHAT MAHESHWARI]**

**PARTNER**

**M. No. : FCS 2405**

**COP No.: 1432**

**UDIN: F00240SB000493269**

**PLACE: MUMBAI**

**DATE: 23<sup>RD</sup> JULY, 2020**



## ANNEXURE D

### (forming part of the Directors' Report)

Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Whole-time Directors, Non-Executive Directors, Executive Director-Finance & CFO and Company Secretary for the financial year 2019-20 are given below:-

Sr. No.	Name of the Director/ Key Managerial Personnel ("KMP")	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Mr. Anjan Chatterjee	Chairman & Managing Director	34.36	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director	12.03	Nil
3	Mr. Indranil Chatterjee	Whole-time Director	12.70	Nil
4	Mr. Avik Chatterjee**	Whole-time Director	1.34	Not applicable
5	Mr. Dushyant Mehta	Non Executive Independent Director	3.71	72.22*
6	Mr. Ullal R. Bhat	Non Executive Independent Director	3.82	88.24*
7	Mr. Rakesh Pandey	Non Executive Independent Director	3.71	93.75*
8	Dr. Anita Bandyopadhyay***	Non Executive Independent Director	Not applicable	Not applicable
9	Mr. Rajesh Kumar Mohta	Executive Director- Finance and CFO	Not applicable	Nil
10	Mr. Avinash Kinhikar	Company Secretary & Legal Head	Not applicable	Nil

\*Remuneration for financial year 2019-20 is not comparable with the previous year as it varies due to number of Board and Committee Meetings held and attended.

\*\* appointed with effect from February 3, 2020

\*\*\* appointed with effect from February 3, 2020

2. The percentage increase in the median remuneration of employees in the financial year 2019-20 was 3.14 %.
3. The Company has 3,296 permanent employees on the rolls of the Company as on March 31, 2020.
4. Other Details

Sr. No.	Particulars	Remarks
1	Average percentage increase already made in the salaries of employees other than the Managerial personnel in the last financial year	During the financial year 2019-20, the overall salary of the Employees increased to around 8 %.
2	Percentile increase in managerial remuneration	There was no increase in the managerial remuneration as compared to previous year.
3	The comparison with the percentile increase in the Employees remuneration with managerial remuneration and justification thereof	Not comparable as there was no increase in the remuneration of managerial personnel.
4	Any exceptional circumstances for increase in the managerial remuneration	Not applicable

5. It is affirmed that the remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board  
Speciality Restaurants Limited**

**Anjan Chatterjee  
Chairman & Managing Director  
(DIN: 00200443)**

Date: July 23, 2020

Place: Mumbai.

**ANNEXURE E**  
**(forming part of Directors' Report)**  
**FORM NO. MGT-9**

**Extract of Annual Return**

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L55101WB1999PLC090672
ii) Registration Date	1 <sup>st</sup> December, 1999
iii) Name of the Company	Speciality Restaurants Limited
iv) Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v) Address of the Registered office and contact details	Uniworth House, 3A Gurusaday Road, Kolkata, West Bengal-700019 Tel. No: (91 33) 22837964 Email: <a href="mailto:corporate@speciality.co.in">corporate@speciality.co.in</a> Website: <a href="http://www.speciality.co.in">www.speciality.co.in</a>
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083. Tel. No: (91 22) 49186000, 49186270 Fax No: (91 22) 49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Restaurants & Mobile food service activity	5610	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mainland China and Indigrill Restaurant, LLC (Erstwhile Mainland China Restaurant LLC) P O Box No. 220 Doha, Qatar	N.A Foreign Company	Associate (Joint Venture)	49%	2(6)
2	Speciality Hospitality UK Limited 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom	N.A. Foreign Company	Subsidiary (Wholly owned subsidiary company)	100%	2(87)
3	Speciality Hospitality US, Inc.* 6161 Savoy Drive, Suite 1000, Houston TX 77036- 77036	N.A. Foreign Company	Subsidiary (Wholly owned subsidiary company)	100%	2(87)
4	Caterland Hospitality Ltd.** 134 Buckingham Palace Road, London, SW1W 9SA, United Kingdom	N.A. Foreign Company	Step-down Subsidiary (Joint Venture)	51%	2(6)
5	Foodland Ventures LLC*** 9894 Bissonnet Street, Suit 638, Houston TX 77036	N.A. Foreign Company	Step-down Subsidiary (Joint Venture)	50.5%	2(6)

\* The Company incorporated a wholly owned subsidiary company "Speciality Hospitality US, Inc." on September 19, 2019.

\*\* The Company incorporated a step down wholly owned subsidiary as a private limited company on July 18, 2019. Joint Venture Agreement was executed between Speciality Hospitality UK Limited, a wholly owned subsidiary (WOS) of Speciality Restaurants Limited and Homage Ventures LLP. The parties have agreed to setup, own and operate restaurant in London, United Kingdom under Caterland Hospitality Ltd.

\*\*\* The Company incorporated a step down subsidiary company "Foodland Ventures LLC" on October 7, 2019. Joint Venture Agreement was executed between Speciality Hospitality US, Inc., a wholly owned subsidiary (WOS) of Speciality Restaurants Limited and Associated Hospitality & Developers LLC. The parties have agreed to setup, own and operate restaurants in United States of America under Foodland Ventures LLC.





IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,40,40,000	0	2,40,40,000	51.19	2,40,40,000	0	2,40,40,000	51.19	0.00
b) Central/State Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other - Relatives	57	0	57	0.00	57	0	57	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.19</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.19</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.19</b>	<b>2,40,40,057</b>	<b>0</b>	<b>2,40,40,057</b>	<b>51.19</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	12,710	0	12,710	0.03	55	0	0	0	-0.03
c) Central/ State Govt	0	0	0	0	0	0	0	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	0	0	0	0	0	0	0	0	0
f) FIs	0	0	0	0	0	0	0	0	0
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
a) Trust	0	0	0	0	0	0	0	0	0
b) Foreign Portfolio Investors (Corporate)	38,33,470	0	38,33,470	8.16	0	0	0	0	-8.16
c) Alternate Investment Funds	35,786	0	35,786	0.08	7,33,250	0	7,33,250	1.56	1.48
<b>Sub-total (B)(1):-</b>	<b>38,81,966</b>	<b>0</b>	<b>38,81,966</b>	<b>8.27</b>	<b>7,33,305</b>	<b>0</b>	<b>7,33,305</b>	<b>1.56</b>	<b>-6.71</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	39,99,804	0	39,99,804	8.52	41,94,784	0	41,94,784	8.93	0.41
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals.									
i) Individual shareholder holding nominal share capital upto Rs. 1 lakh	42,38,145	151	42,38,296	9.03	59,68,003	151	59,68,154	12.70	3.67
ii) Individual shareholder holding nominal share capital in excess of Rs. 1 lakh	84,09,017	0	84,09,017	17.91	95,15,273	0	95,15,273	20.26	2.35
c) Others									
i) Clearing Member	2,80,456	0	2,80,456	0.60	83,742	0	83,742	0.18	-0.42
ii) Non Resident Indian (Repat)	1,16,943	0	1,16,943	0.25	2,09,348	0	2,09,348	0.20	-0.05
iii) Non Resident Indian (Non Repat)	48,829	0	48,829	0.10	1,14,125	0	1,14,125	0.24	0.14
iv) Foreign Companies	0	0	0	0	0	0	0	0	0
v) Director/Relative of director	3,859	0	3,859	0.01	3,859	0	3,859	0.01	0
(vi) Hindu Undivided Family	18,66,755	0	18,66,755	3.98	20,94,485	0	20,94,485	0.49	-3.49
(vii) NBFC's Registered with RBI	71,675	0	71,675	0.15	525	0	525	0	-0.15
<b>Sub-total (B)(2):-</b>	<b>1,90,35,483</b>	<b>151</b>	<b>1,90,35,634</b>	<b>40.54</b>	<b>2,21,84,144</b>	<b>151</b>	<b>2,21,84,295</b>	<b>47.24</b>	<b>6.71</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>2,29,17,449</b>	<b>151</b>	<b>2,29,17,600</b>	<b>48.81</b>	<b>2,29,17,449</b>	<b>151</b>	<b>2,29,17,600</b>	<b>48.81</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4,69,57,506</b>	<b>151</b>	<b>4,69,57,657</b>	<b>100.00</b>	<b>4,69,57,506</b>	<b>151</b>	<b>4,69,57,657</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Anjan Chatterjee	1,20,70,000	25.70	0	1,20,70,000	25.70	0	0
2	Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	0	1,19,70,000	25.49	0	0
	<b>Total</b>	<b>2,40,40,000</b>	<b>51.19</b>	<b>0</b>	<b>2,40,40,000</b>	<b>51.19</b>	<b>0</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year				Cumulative Shareholding during the year	
		Change in Shareholding (Sale of Shares)	Date of change in Shareholding	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

There was no change in the Shareholding pattern of the Promoters of the Company during the financial year ended March 31, 2020.

## (IV) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's)

Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
1	Deepak Bhagnani*	01-04-2019	Opening Balance	27,93,329	5.95	27,93,329	5.95
		28-02-2020	Sale	11,995	0.03	27,81,334	5.92
		31-03-2020	Closing Balance	-	-	27,81,334	5.92
2	Deepak Bhagnani and Son HUF*	01-04-2019	Opening Balance	14,15,167	3.01	14,15,167	3.01
		10-05-2019	Sale	7,125	0.01	14,08,042	3.00
		17-05-2019	Sale	4,469	0.01	14,03,573	2.99
		08-11-2019	Sale	26,422	0.06	13,77,151	2.93
		06-12-2019	Sale	23,462	0.05	13,53,689	2.88
		31-03-2020	Closing Balance	-	-	13,53,689	2.88
3	Tasha Investment Advisors LLP*	01-04-2019	Opening Balance	11,62,719	2.48	11,62,719	2.48
		31-05-2019	Sale	3,243	0.01	11,59,476	2.47
		31-03-2020	Closing Balance	-	-	11,59,476	2.47
4	Bharat Bhagnani*	01-04-2019	Opening Balance	7,49,767	1.60	7,49,767	1.60
		26-04-2019	Sale	1,929	0.00	7,47,838	1.60
		03-05-2019	Sale	3,119	0.01	7,44,719	1.59
		31-05-2019	Sale	6,694	0.02	7,38,025	1.57
		07-06-2019	Sale	849	0.00	7,37,176	1.57
		14-06-2019	Sale	1,374	0.00	7,35,802	1.57
		31-03-2020	Closing Balance	-	-	7,35,802	1.57
5	Trustline Deep Alpha AIF <sup>#</sup>	01-04-2019	Opening Balance	-	-	-	-
		10-05-2019	Purchase	1,88,221	0.40	1,88,221	0.40
		17-05-2019	Purchase	61,779	0.13	2,50,000	0.53
		24-05-2019	Purchase	50,000	0.11	3,00,000	0.64
		31-05-2019	Purchase	90,000	0.19	3,90,000	0.83
		07-06-2019	Purchase	73,000	0.16	4,63,000	0.99
		14-06-2019	Purchase	70,902	0.15	5,33,902	1.14
		21-06-2019	Purchase	9,298	0.02	5,43,200	1.16
		29-06-2019	Purchase	16,800	0.03	5,60,000	1.19
		05-07-2019	Purchase	7,123	0.02	5,67,123	1.21
		19-07-2019	Purchase	15,077	0.03	5,82,200	1.24
		09-08-2019	Purchase	21,000	0.04	6,03,200	1.28
		16-08-2019	Purchase	3,800	0.01	6,07,000	1.29
		15-11-2019	Purchase	7,000	0.02	6,14,000	1.31
		22-01-2019	Purchase	36,000	0.07	6,50,000	1.38
		03-01-2020	Purchase	10,000	0.02	6,60,000	1.40
		24-01-2020	Purchase	30,000	0.07	6,90,000	1.47
13-03-2020	Purchase	31,600	0.07	7,21,600	1.54		
20-03-2020	Purchase	21,650	0.04	7,43,250	1.58		
31-03-2020	Sale	10,000	0.02	7,33,250	1.56		
	31-03-2020	Closing Balance	-	-	7,33,250	1.56	



Sr. No.	Name of the Shareholder	Date of Transaction	Nature of Transaction	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
6	Chander Bhatia*	01-04-2019	Opening Balance	6,19,353	1.32	6,19,353	1.32
		06-03-2020	Purchase	60,000	0.13	6,79,353	1.45
		20-03-2020	Purchase	85,000	0.18	7,64,353	1.63
		27-03-2020	Purchase	25,000	0.05	7,89,353	1.68
		31-03-2020	Closing Balance	-	-	7,89,353	1.68
7	Tasha Enterprises LLP*	01-04-2019	Opening Balance	6,40,675	1.36	6,40,675	1.36
		31-03-2020	Closing Balance	-	-	6,40,675	1.36
8	Neoworth Commercial Private Limited#	01-04-2019	Opening Balance	3,48,000	0.74	3,48,000	0.74
		05-04-2019	Purchase	50,000	0.11	3,98,000	0.85
		10-05-2019	Purchase	52,000	0.11	4,50,000	0.96
		13-09-2019	Purchase	47,961	0.10	4,97,961	1.06
		20-09-2019	Purchase	2,039	0.00	5,00,000	1.06
		31-03-2020	Closing Balance	-	-	5,00,000	1.06
9	Gunavanti Pratapbhai Kotak#	01-04-2019	Opening Balance	-	-	-	-
		24-01-2020	Purchase	4,50,000	0.96	4,50,000	0.96
		31-01-2020	Sale	50,000	0.11	4,00,000	0.85
		28-02-2020	Purchase	10,000	0.02	4,10,000	0.87
		27-03-2020	Purchase	10,682	0.03	4,20,682	0.90
		31-03-2020	Purchase	318	0.00	4,21,000	0.90
10	Rajesh Seth#	01-04-2019	Opening Balance	3,43,833	0.73	3,43,833	0.73
		14-06-2019	Purchase	105	0.00	3,43,938	0.73
		10-01-2020	Purchase	46,300	0.10	3,90,238	0.83
		20-03-2020	Purchase	30,000	0.06	4,20,238	0.89
		31-03-2020	Closing Balance	-	-	4,20,238	0.89
11	Retail Employees Superannuation Pty. Limited As Trustee For Retail Employees Superannuation Trust@	01-04-2019	Opening Balance	17,59,863	3.75	17,59,863	3.75
		15-11-2019	Sale	97,051	0.21	16,62,812	3.54
		22-11-2019	Sale	42,429	0.09	16,20,383	3.45
		29-11-2019	Sale	1,01,240	0.22	15,19,143	3.23
		06-12-2019	Sale	20,840	0.04	14,98,303	3.19
		17-01-2020	Sale	2,52,913	0.54	12,45,390	2.65
		24-01-2020	Sale	12,45,390	2.65	-	-
		31-03-2020	Closing Balance	-	-	-	-
12	Paradice Global Small Mid Cap Fund@	01-04-2019	Opening Balance	8,74,449	1.86	8,74,449	1.86
		15-11-2019	Sale	67,736	0.14	8,06,713	1.72
		22-11-2019	Sale	20,584	0.05	7,86,129	1.67
		29-11-2019	Sale	49,116	0.10	7,37,013	1.57
		06-12-2019	Sale	10,111	0.02	7,26,902	1.55
		17-01-2020	Sale	1,22,702	0.26	6,04,200	1.29
		24-01-2020	Sale	6,04,200	1.29	-	-
		31-03-2020	Closing Balance	-	-	-	-
13	Hostplus pooled superannuation trust paradise Investment Management Pty Limited@	01-04-2019	Opening Balance	7,99,251	1.70	7,99,251	1.70
		15-11-2019	Sale	54,572	0.12	7,44,679	1.58
		22-11-2019	Sale	19,001	0.04	7,25,678	1.55
		29-11-2019	Sale	45,340	0.09	6,80,338	1.45
		06-12-2019	Sale	9,333	0.02	6,71,005	1.43
		17-01-2020	Sale	1,13,266	0.24	5,57,739	1.19
		24-01-2020	Sale	5,57,739	1.19	-	-
		31-03-2020	Closing Balance	-	-	-	-
14	Kirti Bhagnani@	01-04-2019	Opening Balance	7,34,428	1.57	7,34,428	1.57
		10-05-2019	Sale	52	0.00	7,34,376	1.57
		17-05-2019	Sale	1,15,085	0.25	6,19,291	1.32
		24-05-2019	Sale	1,57,947	0.34	4,61,344	0.98
		31-05-2019	Sale	1,28,366	0.27	3,32,978	0.71
		07-06-2019	Sale	3,936	0.01	3,29,042	0.70
		14-06-2019	Sale	54,267	0.11	2,74,775	0.59
		21-06-2019	Sale	1,16,786	0.26	1,57,989	0.33
		29-06-2019	Sale	450	0.00	1,57,539	0.33
		05-07-2019	Sale	500	0.00	1,57,039	0.33
		23-08-2019	Sale	1,111	0.00	1,55,928	0.33
		01-11-2019	Sale	8,570	0.02	1,47,358	0.31
		08-11-2019	Sale	5,986	0.01	1,41,372	0.30
		31-03-2020	Closing Balance	-	-	1,41,372	0.30

\*Common top 10 shareholders as on April 1, 2019 and March 31, 2020

@ Top 10 shareholders only as on April 1, 2019

# Top 10 shareholders only as on March 31, 2020

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	% change in share holding during the year	% of total shares of the company
1	Mr. Anjan Chatterjee	1,20,70,000	25.70	1,20,70,000	25.70
2	Mrs. Suchhanda Chatterjee	1,19,70,000	25.49	1,19,70,000	25.49
3	Mr. Indranil Chatterjee	1,299	0.00	1,299	0.00
4	Mr. Avik Chatterjee*	19	0.00	19	0.00
5	Mr. Dushyant Mehta	1,280	0.00	1,280	0.00
6	Mr. Ullal Ravindra Bhat	0	0.00	0	0.00
7	Mr. Rakesh Kumar Pandey	0	0.00	0	0.00
8	Dr. Anita Bandyopadhyay*	0	0.00	0	0.00
9	Mr. Rajesh Kumar Mohta	1,280	0.00	1,280	0.00
10	Mr. Avinash Kinshikar	0	0.00	0	0.00

There were no changes in the Shareholding pattern of the Directors and Key Managerial Personnel of the Company during the financial year ended March 31, 2020.

\*Appointed with effect from February 3, 2020

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (In ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Anjan Chatterjee (MD)	Mrs. Suchhanda Chatterjee (WTD)	Mr. Indranil Chatterjee (WTD)*	Mr. Avik Chatterjee (WTD)**	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,50,000	20,12,500	21,25,000	2,25,000	1,01,12,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,800	-	21,600	-	50,400
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	50,000 options	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>57,78,800</b>	<b>20,12,500</b>	<b>21,46,600</b>	<b>2,25,000</b>	<b>1,01,62,900</b>
	Ceiling as per the Act	The remuneration paid to the Managing Director and Whole-time Directors was within the ceiling as per the Companies Act, 2013.				

\*Designated and appointed as Deputy Managing Director with effect from February 3, 2020

\*\*Appointed with effect from February 3, 2020



B. Remuneration to other directors:

(In ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Dushyant Mehta	Mr. Ullal R. Bhat	Mr. Rakesh Pandey	Dr. Anita Bandyopadhyay*	
1	<b>Independent Directors</b>					
	• Fee for attending Board and Committee meetings	6,20,000	6,40,000	6,20,000	N.A.	18,80,000
	• Commission for the year 2018-19	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>6,20,000</b>	<b>6,40,000</b>	<b>6,20,000</b>	<b>N.A.</b>	<b>18,80,000</b>
2	<b>Other Non-Executive Directors</b>					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>6,20,000</b>	<b>6,40,000</b>	<b>6,20,000</b>	<b>N.A.</b>	<b>18,80,000</b>
	Overall Ceiling as per the Act	The remuneration paid to the Independent Directors was within the ceiling as per the Companies Act, 2013.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Avinash Kinshikar – Company Secretary & Legal Head	Mr. Rajesh Kumar Mohta – Executive Director-Finance & CFO	
1	Gross salary	18,78,099	45,72,975	64,51,074
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option granted during the year 2013-14	-	38,400 options	38,400 options
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total Remuneration paid in financial year 2019-20</b>	<b>18,78,099</b>	<b>46,05,375</b>	<b>64,83,474</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board  
Speciality Restaurants Limited

Date: July 23, 2020  
Place: Mumbai.

Anjan Chatterjee  
Chairman & Managing Director  
(DIN: 00200443)

## MANAGEMENT DISCUSSION AND ANALYSIS

### Economic Overview

The Indian economy registered a growth of 4.2% in Financial Year ('FY') 2019-20, much lower than the 6.1% in FY 2018-19 (*Source: IMF*). Wage stagnation, job losses, rising rural unemployment rates, stressed non-banking financial companies and decline in credit growth caused a sharp drop in domestic demand. On the supply side, excess idle production capacity and lower private investments further dragged down economic activity. The Government of India undertook initiatives such as liberalising sectors to attract foreign direct investments, upfront capital infusion in public sector banks to alleviate liquidity concerns and reducing corporate tax rates to revive private investments. The Government of India also announced a number of policy measures to boost investment, such as reduction in corporate tax rate from 30% to 22%, which was complemented by the easing of repo rates by RBI.

Indian food and beverage industry continues to offer opportunities for growth due to several factors such as changing consumer behaviour, exploring new cuisines, consumer discerning in their choices, trust in branded foods for assurance of quality, change in government regulations, changes in economic and demographic profile, growing affluence, rising urbanisation, higher disposable income, penetration of internet, growth of organised retail and burgeoning digital connectivity, technological innovations, increased focus on health, protein-rich fibre foods and wellness which are driving consumption.

This was a year of gradual revival for the restaurant sector. The Covid-19 pandemic since mid-March 2020 onwards has caused disruption in the industry and we anticipate mid to long term shifts in consumer behaviour.

Your Company's performance for the year 2019-20 needs to be analysed in the context of the aforesaid economic and operating environment.

### Food and Beverages Services Industry Overview

Food and Beverages services continues to remain one of the key segments of the Indian economy contributing to employment generation, skill development, growth in the allied industries, entrepreneurship and creating experiences.

India has one of the highest millennial population aged between 18 to 35 years whose food habits and tastes are very different unlike the earlier generations, they happen to be tech-savvy, independent, career driven individuals with global exposure and higher spending capacity.

The restaurant sector still attribute to the highest manpower requirement in the hospitality sector and also provides impetus to other allied sectors as well, such as agriculture, food processing, supply chain and logistics, consulting, digital technology, specialised commercial kitchen equipments and real estate.

The food services sector continues to attract interest from domestic as well as international investors as the sector is largely domestic consumption driven with high growth potential.

The Indian food services market continues to evolve from home grown, standalone, family run business ventures into corporatisation with chain of restaurants, international partnerships with multipolar and integrated business model. International chain of restaurants have already entered the Indian market leading to a surge with 35% share of organised sector in the Indian food service industry which is steadily rising.

### Industry Trends

#### Food and Beverage Trends

- Wholesome small eats are most preferable
- Consumers are moving towards sugar-free food or food with less sugar.
- Consumers are looking for high-protein, grab-and-go options that are both nutritious and convenient, such as nutritious puffed snacks, dried-fruits and prunes and protein bars.
- Alternative diets such as gluten-free, dairy-free, vegetarian, vegan and keto options become menu mainstays.
- Food presentation plays a bigger role.

#### Consumers' Eating Out Behaviour

Consumer are slowly embracing the mid-week break as against weekend offs. Eating out on weekdays is catching up as a new trend as against only it being on weekend. Eating out is not restricted to occasions such as business meetings, alternate to home cooking, looking to try new cuisines but has become an occasion in itself. Consumer is becoming increasingly conscious of eating food at high-quality outlets across socio-economic segments. The food service industry is blessed with a young, dynamic and diverse food-loving consumer with a high disposable income. The growing participation of women in the workforce and double-income families' preference for eating out or ready-to-eat meals are creating new opportunities in the industry.

#### Eating out as an experience

Hospitality is a great dining experience when guest's needs are anticipated and met with innovative presentation, unique food concepts and exceptional service.

#### Social Media / Digital Marketing

Rise of various food tech models, enhanced penetration of internet and increase in internet speeds, use of technology to improve consumer experience and continued use of social media for consumer engagement are some of the key trends that are continue to shape the Indian food service sector. Social media presence for restaurants also defines how popular they are. Social media accessible through smart phones

are an integral part of the young generations' lifestyle. It has become an avenue for them to express their views and opinions, compare and evaluate choices and share feedback. Use of digital marketing in the restaurant space is the new trend in the food and restaurant segment in India to communicate offers, incentives, product information and promotions.

### **Focus on consumer engagement using technology**

Technology has helped restaurant industry to focus on consumer engagement:

**Food Discovery/Restaurant Search:** Food guides and eating out directories of restaurants with reviews, opinions and vital information are available with food discovery or restaurant search players at just a few clicks away.

**Table Reservation:** Fine dine restaurants are offering table reservation service to their clients to manage demand more efficiently and improve on sourcing & staffing. It is beneficial to a customer as reservation guarantee one's table at the designated time and place with the likelihood of a personalised service at the restaurant.

**Online ordering:** Technology has eased the process of customers having to travel to a restaurant for eating out. Today customers can use their smartphones and order food from any restaurant of their choice thus enabling them to save time on travelling and enjoy their choicest food while at work or leisure.

### **Market Segments**

The market segment of the organised food service industry is dominated by Casual Dining Restaurants followed by Quick Service Restaurants and Pub, Club & Bar, while Cafe chains, Full Service Restaurants (Premium Casual Dining Restaurants and Fine Dining Restaurants) and Others (Frozen desserts and ice-creams etc.) constitute the rest.

### **Evolving Customer Preferences**

The combination of rising incomes, increasing working population, ever expanding urbanization, internet penetration and changing consumer preferences towards eating out has evolved the lifestyle of today's progressive young Indians, who are willing to experiment different cuisines and alcoholic beverages.

### **Experimenting with Cuisines**

Indian Consumers are experimenting with various authentic Indian regional as well as cuisines from other international regions. The food service industry is catering to these demands by serving a variety of foods from across the world like Italian, Mexican, Japanese, Middle Eastern, European, African besides the popular Chinese, Thai and American fast foods over and above the Indian and regional cuisines.

### **Emerging retail formats**

One of the most popular and most visited retail formats is the Mall, offering everything that a consumer wants to buy, all under one roof, from clothes, accessories, salons and spa's to cinemas, gaming zones, dedicated food courts including fine, casual / fun casual restaurants in a controlled operating environment and also comes with a dedicated parking space. Other retail avenues are airports and amusement parks which drive consumers towards food services.

### **Dine-in v/s Take-away/Deliveries**

The delivery segment is growing steadily and restaurants are providing option to consumers for ordering food at home.

### **Cloud Kitchen**

Cloud kitchen is emerging as an alternative as it can be setup with a very low Capital Expenditure as compared to a Cafe or a Restaurant and helps in the operation of a chain of restaurants and also cost beneficial. A cloud kitchen is a centralised kitchen for a chain of outlets/restaurants that accepts orders only through online ordering systems and offers no dine-in facility. They have a base kitchen that delivers raw materials, sauces and all ingredients in portions to multiple restaurants. This format is helping the industry to reduce the high rental cost and also cost of labour and also helping in faster turnaround over and above standardisation of quality.

### **Dark Kitchen**

'Dark kitchen', also known as virtual kitchen, is a fully-equipped commercial kitchen with no restaurant or even a takeaway counter which are dedicated to meet the requirements of online delivery services, facilitated by the third party delivery apps. These are basically delivery points.

### **International Opportunities**

There's global demand for Indian cuisine as its popularity caters to the diaspora, and popular Indian restaurant chains are leveraging that with financial and management bandwidth and harnessing this opportunity.

Many Indian restaurant operators had entered the global market with traditional and exclusive Indian regional cuisines due to attractive growth potential, ease of doing business, fewer regulatory issues and higher returns on investment than in India.

### **Opportunities and Challenges**

The success of our organisation depends on our ability to identify strengths & opportunities and leverage them while mitigating the risks that arise while conducting our business. The strength of our restaurants lie in what we do best viz., serving tasty food, offering quality service and providing decor that makes the fun of eating at our restaurants a memorable experience. New opportunities are emerging in the organised segment in certain locations where a high density of people congregate, including shopping malls, travel terminals, office complexes. Shopping Malls with multiplex, in particular are becoming a customary place for congregation leading to an increase in customer spending. Shopping malls tend to favour efficient formats such as kiosks and food courts and casual dining restaurants, while fine dining full-service restaurants are likely to remain as standalone.

**Opportunities** for the Company are –

- Millennial centric brands.
- Optimizing share of delivery and take-away formats, with a focus on convenience.
- Experimentation with new formats, themes and menus; interest through entrepreneurial ventures.
- Setting-up of Cloud Kichen/ Commissary and also Dark Kitchens
- International expansion.
- Strategic / differential pricing for the buffet format for weekday and weekend.
- Riding on the technology wave with tech savvy consumers and online food aggregators.
- Sweating of assets and extended hours at select locations to build operational leverage.

Your Company's success depends on the value and relevance of its brands and products to consumers and on our ability to ring in changes, innovate and remaining competitive and ahead of time. Consumer tastes, preferences and behaviours are changing more rapidly than ever before. Your Company's ability to identify and respond to these changes is vital to its business success. We are dependent on creating innovative products that continue to meet the needs of consumers.

### **Challenges**

The Company's prospects largely depends on economic factors such as changes in regulatory environment i.e. food inflation, licensing regulations, competition, operational challenges including high real estate cost, availability of skilled manpower, supply chain management, people management and all that it entails – from recruiting, training holds the key to engage with the new age young techno savvy consumers.

The COVID-19 pandemic has caused widespread disruption in the industry and we see long term shifts in consumer behaviour. The digital disruption can be seen as a boon for the growth of online delivery module. We see rise of consumers who are more price and value conscious in their choices, given the uncertainty caused by the pandemic.

### **Competitive Advantage**

Your Company continues to be at the top in occupying the mind share of consumers in the Fine Dining and Casual Dining sector and now even gaining share in the pie for Pubs & Bars. The key to this has been continuous endeavour on improvement and building on existing strengths and pragmatic expansions. Food served at our restaurants and service is the biggest competitive advantage we have.

During the year under review, your Company opened seventeen (17) restaurants out of which twelve (12) are Company Owned Company Operated (COCO) while five (5) are Franchise Owned Company Operated (FOCO) and eight (8) confectionaries. At the end of financial year ended March 31, 2020, your Company has 109 restaurants (including 26 franchisees) and 31 confectionaries.

**Mainland China**, our flagship brand, focuses on serving Chinese cuisine with contrasting flavours and spices. The Company has succeeded in retaining a high brand recall over the years and has won many awards for the same. With a new initiative of rationalising the Menu with new offerings and backed by fresh training and standardising certain mother sauces and ingredients have helped improve consumer satisfaction and increase in footfalls.

**Asia Kitchen by Mainland China** was created as a brand refresh of the mother brand offering a much less uninhibited space to attract the larger and younger audience. With almost 50% of Chinese cuisine (best of Mainland China's offerings) coupled with 50% new offerings in the form of Pan Asian cuisine which includes gourmet dishes from Hong Kong, Singapore, Malaysia, Thailand, Japan, Korea, Myanmar in addition to China, it has already carved it's own identity successfully migrating the equity of Mainland China.

**Oh! Calcutta** continues to be the coveted destination for Bengali food lovers and now a big draw for global travellers and food connoisseurs and remains one of our core brands. With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengali's and today it is truly recognised as global cuisine.

**Gong**, serving modern asian cuisine exudes a new level of happiness with its high energy ambience that is a contemporary take on traditional Japanese temple architecture. Though categorised as pan asian, it offers diverse Asian flavours that are prepared using western cooking techniques and presentations to take you through a journey of the mysterious culinary traditions in the Far-East.

**Sigree Global Grill** is another one of the core brands serving grilled flavours from the Mediterranean, Oriental, Spanish, Mexican and Indian cuisine. It has an innovative vibrant format with live grills on each table that adds an aroma to the ambience.

**Hoppipola** which was launched primarily to attract the younger TG with high disposable income. It is an All-day Bar serving finger food, bar nibbles and innovative mocktails. Its target market is those young-at-heart.

**Cafe Mezzuna** which offering modern European food in a semi-casual format lends diversity to the brand portfolio. It serves dishes with Mediterranean, Moroccan, Spanish, French and Italian flavours alongwith a complimenting bar menu.

### **Riyasat**

Infused with a 'contemporary' Indian cuisine – Riyasat is a story woven through royal celebrations and victories and is inspired from the stately homes of the royal families of the 19th century. The cuisine is inspired from the North-western frontiers that is vibrant, robust and encompasses the healthier culinary techniques and dining experiences to blend in with the changing time and trends.

It also boasts of crafted beverages curated by mixologists, embracing the past with twists on classics – creating a theatrical mood where you can sit and just immerse into the experience. It has won 'Best Progressive Indian – Casual Dining' award by Times food and night life and 'Best Indian' by The Telegraph.





## **BARishh**

A place that is vibrant and chic, with stunning decor, a splash of pop colours that spell youthful and comes a breath of fresh air... celebrate all things millennial with a touch of "ishh". BARishh — the newest brand from the house of Speciality Restaurants — is for all day, any mood. With striking blue walls with large and small butterfly murals, the 120-seater also makes use of elements like soothing green and quirky writings on the wall, giving BARishh a balanced look and feel.

The entire food menu is derived out of Indian ingredients with a western touch to it making global in presentation. Gin has been having its moment for the last couple of years and the moment is only here to stay. Created by international mixologists, highlights of BARishh are not just cocktails but innovative gin infusions featuring on it.

BARishh is for the modern Indian youth who loves living in the grey areas of life where it's very non-committal... a zone we all live in.

**Sweet Bengal** It has proved to be the favourite Bengali sweet destination. The sole credit for this goes to the innovative and traditional spread of Bengali Sweets created from pure cow's milk by 'karigars' from West Bengal who literally crafts each and every sweet. With 26 outlets it is the only chain serving authentic Bengali sweets and Bengali snacks in Mumbai. Buoyed by the tremendous success the Company has now started expanding and spreading its sweetness in it's hometown – Kolkata with the opening of 2 outlets as of now.

**Dariele** is your cosy, affectionate neighbourhood confectionary and café, where the city's best croissants, buns, puffs, wraps, cakes, cookies, pastries and breads are born every day.

**Haka** Devised for the guest on the go, Haka is ideal for those seeking to shop or watch a movie and have a quick bite. Featuring modern Chinese cuisine in small plates including dim sums and quick meal at comfortable prices, typically found on Hong Kong and Shanghai streets. The contemporary ambience of each Haka restaurant is created with red walls and modern impressionist artwork emphasizing efficiency and functionality in layout.

**Zoodles** is a Quick Service Restaurant providing tossed, stirred, grilled and wok fried delicacies.

### **Risk, concerns and Mitigation**

Business risks such as industry risk, general economic conditions, socio-political risks and company specific risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being – a longer than anticipated delay in economic revival, continuing inflationary conditions, dependence on fine-dine segment, competition from global chains and other segments of the restaurant industry, hostile neighbouring countries and any sudden unanticipated change in regulatory framework for the industry.

### **COVID-19 Pandemic**

The Financial Year 2020 ended with the Covid-19 pandemic disrupting the global economy and supply chains. The rampant spread of pandemic across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook.

Fiscal FY2021 began with a lockdown, with almost no economic activity in India, which took strict measures to contain the spread and intensity of the pandemic. With an extended lockdown in Q1-FY21, the impact on GDP is expected to be significant with the risk of negative growth for FY2021, an all-time low in many years.

While it is difficult to estimate the impact of COVID-19 on the business beyond Q1-FY21, the economy is expected to see demand constraints particularly for discretionary spends. These are primarily driven by stagnant or lower household incomes and uncertainty over employment and economic growth at large.

As the economy at large, adapts to operating and living in a post-COVID era, it is expected that there will be recovery in the second half of the fiscal, albeit slow. An important lever that will be critical to monitor will be the roll out of Government stimulus and pro-active policy measures to 'reboot' and 'rebound' the economy.

The Company has initiated various countermeasures to minimise any short-term impact and mitigate any long-term impact on the Company, including realigning the cost structures to the new activity levels post the lockdown. Also, Pre-Covid-19, there was a Company-wide initiative to optimise costs and conserve cash, which is expected to accrue benefits in the future.

The Company, with its 25 years of unparalleled brand equity, being a food-led Company with established brands for takeaway and delivery, continues to be in a position of strength to overcome this crisis and capture future growth opportunities in an optimal manner.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

### **Raw Material Costs**

In addition to renewing contracts at better rates, the Company has undertaken import substitution to the extent possible without compromising quality.

### **Commodity Prices**

Changes in commodity prices reduce profit margins. The impact of commodity price fluctuations is managed by the Company across its value chain to effectively manage its financial performance and profitability by negotiating with the suppliers towards a fixed price agreement.

### **Fixed Costs**

The restaurants which have been launched by the Company are of a more compact size to reduce the fixed costs and to enhance efficiencies.

## Productivity

In order to improve the realization from each store or improvement on per square feet basis, the Company is working towards increase in service hours by keeping restaurants open between lunch and dinner at select locations, thereby enhancing sales and productivity.

## Competition

The brand positioning and refreshment of the existing brands as well as introduction of new brands targeted at niche cuisines or customer has helped the Company to remain competitive. Hoppipola which is specifically for younger crowds and Café Mezzuna which covers European cuisine are examples of the same. Asia Kitchen by Mainland China riding on the equity of the mother brand has included Pan Asian dishes in addition to the traditional fare of it's Chinese cuisine offerings and promises to be a winner going forward. Sigree Global Grill is being positioned as another winner brand and is receiving a great response.

## Internal Controls System and their Adequacy

Your Company has put in place adequate internal controls system to ensure that all assets are protected, with documented procedures covering all corporate functions and restaurants. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control systems are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Restaurant Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Internal Auditor. The Company continues its efforts to align all its processes and controls with best practices. The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for operational units and all major corporate functions.

The Company uses an Enterprise Resource Planning (ERP) application to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of operations.

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

The Chairman & Managing Director and Executive Director-Finance & CFO of the Company have provided a certificate on the adequacy and effectiveness of internal controls system and procedures, which forms part of this annual report.

## Financial Performance

### Accounting policy

The financial statements have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2015.

### Standalone Financial performance for the year ended March 31, 2020

#### a) Total Revenue (₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Revenue From Operations	3,577.9	3,463.6	114.3	3.3
Other Income	99.6	94.6	5	5.3
<b>Total</b>	<b>3,677.5</b>	<b>3,558.2</b>	<b>119.3</b>	<b>3.4</b>

Total Income which comprises of Revenues from Operations and Other Income registered an increase of 3.4% for the year. The increase in revenue from operations was steady during the year despite headwinds in the economy and impact of Covid-19 pandemic in the month of March 2020. Other income includes interest received from Banks/Others, Dividend on Mutual Fund Investments, Profit on Sale of Current Investments and Fixed Assets (Net), Foreign Exchange Gains (Net) and Miscellaneous Income.

#### b) Cost of Material Consumed (₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Cost of Material Consumed	1,134.8	1,089.1	45.7	4.2

Cost of Materials consumed for the year has increased by 4.2% due to increase in revenues as compared to the previous year and inflationary increase in raw material prices.

#### c) Employee Benefit Expenses (₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Employee Benefit Expenses	820.2	805.5	14.7	1.8

Employee Benefit Expenses comprises salary, bonus, allowances, Staff welfare expenses and Company's contribution to Provident Fund, ESIC and Gratuity. The increase is due to addition of new units during the year.



**d) Finance Costs****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Interest	211.5	0	211.5	100.0

There was no debt in the Company during the financial year. The interest under finance cost is due to computation of interest on lease liability on Right of Use Asset as per IND-AS 116 during the financial year.

**e) Depreciation and amortisation expense****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Depreciation and amortisation Expense	574.9	287.1	287.8	100.2

The charge for depreciation on Property, Plant & Equipment and Intangible assets was ₹ 202.5 million and Right of Use assets as per IND-AS 116 was ₹ 365.4 million (previous year nil).

**f) Other Expenses****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Other Expenses	1051.0	1392.7	(341.7)	(24.5)

Other expenses includes rent, power & fuel, rates, taxes & license fee, insurance, operating supplies, advertising and marketing expenses, repairs and maintenance and other miscellaneous expenses. The reduction is due to entries related to IND-AS 116 on account of Right of Use assets for ₹ 365.4 million.

**g) Profitability****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Loss Before Tax (LBT)	(116.8)	(53.3)	(63.5)	119.1
Loss After Tax (Net Loss)	(381.6)	(63.4)	(318.2)	501.6

The Company has recognised impairment loss under the head exceptional item amounting to ₹ 254.4 million because of impairment testing as per IND-AS 116 of the assets as at 31<sup>st</sup> March, 2020. The performance during the month of March 2020 was also impacted because of Covid-19 pandemic resulting into country wide lockdown as restaurant operations were shut because of lockdown.

**Financial Position****a) Equity****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Paid Up Share Capital	469.6	469.6	-	-
Other Equity	1,191.2	1,751.1	(560.0)	(32.0)
Total Equity	1,660.8	2,220.7	(560.0)	(25.2)

Total Equity of the Company decreased during the year due to loss for the year.

**b) Non-Current Financial Liabilities****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Other Financial Liabilities	1,109.9	109.7	1000.2	911.8

The Company did not have any debts on its books and thus continues to be a debt free company. The increase is because of accounting for lease liability on Right of Use Asset as per IND-AS 116 amounting to ₹ 1091.6 million.

**c) Current Liabilities and Provisions****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Current Liabilities and Provisions	725.4	521.4	204.0	39.1

Current Liabilities comprise of trade payables, payables for purchase of property, plant and equipments, provisions and other current liabilities. The increase is because of accounting for lease liability on Right of Use Asset as per IND-AS 116.

**d) Net Tangible and Intangible Assets****(₹ In Millions)**

	2019-20	2018-19	Change (₹)	Change (%)
Tangible and Intangible Assets after Depreciation (Net)	562.3	820.1	(257.8)	(31.4)
Capital Work-in Progress	331.2	349.8	(18.6)	(5.3)
<b>Total</b>	<b>893.4</b>	<b>1169.9</b>	<b>(276.5)</b>	<b>(23.6)</b>

There was an overall decrease of 23.6% in the Net Tangible and Intangible Assets of the Company primarily due to depreciation being charged on the basis of Written down value method.

e) **Non-Current Financial Assets**

(₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Investments	102.6	89.2	13.4	15.0
Loans	204.7	13.8	190.9	1383.3
Other financial Assets	(2.0)	304.2	(306.2)	100.7
<b>Total</b>	<b>305.3</b>	<b>407.2</b>	<b>(102.0)</b>	<b>(25.0)</b>

Investments include investment in Speciality Hospitality UK Limited and Speciality Hospitality US Inc respectively, Wholly Owned Subsidiaries of the Company. Loans and Other financial assets comprises of Security and other deposits given by the Company.

f) **Other Non - Current Assets**

(₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Other non-current assets	264.8	241.8	23.0	9.5

Other Non-Current assets comprises of capital and normal advances to vendors, prepaid expenses and deferred rent, advance tax (net) and balances with government authorities paid under protest. The increase is because of income tax deducted at source and capital advances.

g) **Current Assets**

(₹ In Millions)

	2019-20	2018-19	Change (₹)	Change (%)
Inventories	73.8	66.8	7.0	10.5
Financial assets				
- Investments	614.3	632.1	(17.8)	(2.8)
- Trade Receivables	23.1	53.9	(30.8)	(57.2)
- Cash and Cash equivalents	14.4	83.5	(69.1)	(82.8)
- Bank balances other than cash above	0.8	0.8	-	-
- loans	204.2	34.7	169.5	488.5
- other financial assets	22.8	37.2	(14.4)	(38.7)
other current assets	79.0	123.9	(44.9)	(36.2)
<b>Total</b>	<b>1,032.4</b>	<b>1,032.9</b>	<b>(0.5)</b>	<b>(0.1)</b>

**Significant changes in key financial ratios**

The details of significant change of 25% or more as compared to the immediately previous financial year in key financial ratios, along with detailed explanations therefor is as under:

Key Ratios	March 31, 2020	March 31, 2019	Change %	Due to
Debtors Turnover (times)	154.89	58.78	163.51	Realisation of outstanding dues and normal increase in revenue
Inventory Turnover (times)	48.50	51.84	(6.43)	Lower revenues of March 2020 because of pandemic
Operating Profit Margin (%)	18.21	6.57	177.13	Accounting entries on implementation of IND-AS 116 have impacted the margins.
Net Profit Margin (%)	(10.38)	(1.78)	(483.15)	
Return on Net Worth (%)	(22.98)	(2.86)	(703.50)	Reduction in Networth because of losses.



### Consolidated Financial performance for the year ended March 31, 2020

The Consolidated Financial Statements comprise the Company and its Joint Venture and WOS company prepared in accordance with Ind AS as applicable to your Company. The Consolidated Statements include the financial position of joint venture by applying equity method of accounting and WOS by proportionate consolidation method of accounting. The following table sets forth the Consolidated Financial results for the year ended March 31, 2020.

Particulars	March 31, 2020	March 31, 2019	Change (₹)	Change (%)
Revenue from operations	3,577.9	3,463.6	114.3	3.3
Other Income	102.7	94.6	8.10	8.5
Total Income	3,680.6	3,558.2	122.4	3.4
Cost of materials consumed	1,134.8	1,089.1	45.7	4.2
Employee benefit expense	820.2	818.8	1.4	0.2
Impairment loss on financial assets	1.9	37.1	(35.2)	(95.0)
Other expenses	1,051.3	1,393.9	(342.6)	(24.6)
Earnings before Interest, Depreciation, Amortization and Tax	672.4	219.3	453.1	206.6
Less:				
Finance Costs	211.4	-	211.4	100.0
Depreciation /Amortization	574.9	287.1	287.8	100.2
Loss before share of loss in Joint venture, exceptional item and Tax	(113.9)	(67.8)	(46.1)	(68.0)
Share of Loss in Joint Venture Company	(1.3)	(0.2)	(1.1)	(550.0)
Exceptional Item	(273.8)	-	-	100.0
Loss before tax for the year	(389.0)	(68.0)	(321)	(472.1)
Less: Taxes Expenses / (credit)				
Current Tax	-	9.0	-	-
Deferred Tax	-	-	-	-
Short provision for tax relating to prior years	(9.0)	1.1		
Loss for the year	(380.0)	(78.1)	(301.9)	(386.6)
Total Other Comprehensive (Loss)/Income	(4.2)	(5.3)	(1.1)	20.7
<b>Total Comprehensive loss for the period</b>	<b>(384.2)</b>	<b>(83.4)</b>	<b>(300.7)</b>	<b>(360.5)</b>

#### Disclosure of accounting treatment in preparation of financial statements

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

#### Outlook

Due to Covid-19 outbreak, India implemented one of the strictest nationwide lockdowns in the world early on, in order to keep the infection numbers under control. This has resulted in mass unemployment in the lower income segment and staff downsizing across sectors. The restriction on free movement of goods and people disrupted supply chains and nearly wiped out the demand for non-essential goods and services.

Economic recovery depends to a great extent on the pandemic being brought under control, containment measures being scaled back and trade and manufacturing activities being gradually restored without causing a second wave of contagion.

Amidst the Covid-19 crisis, Fitch Ratings lowered India's economic growth estimate for FY 2020-21 to 0.8%, citing a fall in consumer spending and fixed investment and disruption in economic activities. However, it expects a sharp rebound in India's growth to 6.7% in FY 2021-22.

The Company expects demand constraint to continue to remain and expects to pick up once the disposable income in the hands of consumers to increase due to pick up in economic activity once the lockdown is lifted and various government initiatives to boost the economy.

The Company with its set of brands in different cuisines, formats and segments is well placed to leverage the opportunity.

### ***Material developments in Human Resources***

Your Company firmly believes in the strength of its most vital asset of over 3200 strong workforce. To maintain its competitive edge in a highly dynamic industry, your Company recognizes the importance of having a work force which is consumer-focused and performance-driven. In keeping with this, a number of policies and initiatives have been drawn up to ensure a healthy balance between business needs and individual aspirations. Training of employees is carried out both by in-house and outside trainers at various locations to sharpen the skill set of the workforce, building capability and creating performance oriented focus to support business performance.

### ***Cautionary Statement***

This Annual Report and the Management Discussion and Analysis report contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of this Management Discussion and Analysis report and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which is in turn and based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

## REPORT ON CORPORATE GOVERNANCE

A report on compliance with the Corporate Governance provisions as prescribed under Regulation 34 (3) read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) as amended, for the year ended March 31, 2020 is detailed below:

### 1. Company’s Philosophy on Code of Governance:

Good Corporate Governance is essential to achieve long-term corporate goals, enhance shareholder value and attain highest level of transparency. Your Company is committed to adopt the highest standard of Corporate Governance, accountability and equity in its operations and in interaction with all stakeholders. Your Company believes that all its operations and actions must serve the underlined goal of enhancing customer satisfaction and shareholder value over a sustained period of time as also to meet other stakeholders’ aspirations and societal expectations.

### 2. Board of Directors:

#### 2.1 Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprising eight Directors, of whom four are Independent Directors and four Executive Directors including Chairman.

The Directors possess experience and specialization in diverse fields, such as hoteliering, project management, manufacturing, human resource, business strategy & innovation, marketing, banking, finance and administration.

The Board on the recommendation of Nomination and Remuneration Committee designated and appointed Mr. Indranil Chatterjee, Whole-time Director as Deputy Managing Director of the Company with effect from February 3, 2020 upto February 2, 2023, subject to approval of the Members in the ensuing Annual General Meeting of the Company.

The Board on the recommendation of Nomination and Remuneration Committee appointed Mr. Avik Chatterjee, as an Additional Director of the Company (designated as Executive Director – Innovation and New Formats) with effect from February 3, 2020 upto February 2, 2023, subject to approval of the Members in the ensuing Annual General Meeting of the Company.

The Board on the recommendation of Nomination and Remuneration Committee appointed Dr. Anita Bandyopadhyay, as an Additional Director in Non-Executive Independent capacity on the Board of the Company with effect from February 3, 2020 upto February 2, 2025, subject to approval of the Members in the ensuing Annual General Meeting of the Company.

The particulars of Directors seeking appointment / re-appointment by the Members have been included in the Notice of the Annual General Meeting.

The Composition of the Board, category of Directors and details of shares held by them are as under:

Category	Name of the Director	Designation	No. of Shares held as on March 31, 2020 <sup>#</sup>
Promoter Executive Directors	Mr. Anjan Chatterjee*	Chairman and Managing Director	1,20,70,000
	Mrs. Suchhanda Chatterjee*	Whole-time Director (Director –Interior & Design)	1,19,70,000
Promoter Group (Executive Director)	Mr. Avik Chatterjee**	Additional Whole-time Director (Executive Director – Innovation and New Formats)	19
Executive Director	Mr. Indranil Chatterjee***	Deputy Managing Director	1,299
Non-Executive Independent Directors	Mr. Dushyant Mehta	Director	1,280
	Mr. Ullal Ravindra Bhat	Director	Nil
	Mr. Rakesh Pandey	Director	Nil
	Dr. Anita Bandyopadhyay@	Director	Nil

\* None of the Directors are related to any other except Mr. Anjan Chatterjee, Mrs. Suchhanda Chatterjee and Mr. Avik Chatterjee.

# The Company has not issued any convertible instruments.

\*\*Appointed as an Additional Whole-time Director (designated as Executive Director – Innovation and New Formats) with effect from February 3, 2020.

\*\*\* Appointed as Deputy Managing Director with effect from February 3, 2020.

@ Appointed as an Additional Director (Non-Executive Independent Director) with effect from February 3, 2020.

#### 2.2 Meeting of the Board of Directors and Board Procedures:

The Board of Directors met six (6) times during the year under review on May 29, 2019, June 24, 2019, August 9, 2019, September 14, 2019, November 7, 2019 and February 3, 2020.

The Agenda for the Board Meetings together with the appropriate supporting documents and relevant information are circulated well in advance of the meetings to enable the Board to take informed decisions.

### 2.3 Attendance at Board Meetings and Last Annual General Meeting

The name and categories of Directors, DIN, attendance of each Director at the Board Meetings held during the financial year 2019-20 and the last Annual General Meeting (AGM) of the Company held on August 23, 2019 and the number of Companies and Committees where they are Directors/Members or Chairperson as on March 31, 2020 are given below:-

Attendance Particulars			No. of Directors) held in other Indian Public Limited companies*	Name of other Listed Companies and Category of Directorship	No. of Directorship (s) in other companies*	Membership(s) of Committees companies##	Chairperson of Committees of other companies##
Name of the Director	No. of Board Meetings Attended	AGM					
Mr. Anjan Chatterjee (DIN: 00200443)	5	Yes	-	-	10	-	-
Mrs. Suchhanda Chatterjee (DIN: 00226893)	2	Yes	-	-	9	-	-
Mr. Indranil Chatterjee (DIN: 00200577)	6	Yes	-	-	3	-	-
Mr. Avik Chatterjee** (DIN: 06452245)	N.A.	N.A.	-	-	2	-	-
Mr. Dushyant Mehta (DIN: 00126977)	6	Yes	1	Repro India Limited – Non – Executive Independent Director	1	1	-
Mr. Ullal Ravindra Bhat (DIN: 00008425)	6	Yes	2	Karnataka Bank Limited - Non – Executive Independent Director Repro India Limited – Non – Executive Independent Director	4	1	-
Mr. Rakesh Pandey (DIN: 00113227)	6	Yes	-	-	2	-	-
Dr. Anita Bandyopadhyay*** (DIN: 08672071)	N.A.	N.A.	-	-	-	-	-

\* Excluding Foreign Companies.

\*\* Appointed as an Additional Whole-time Director (designated as Executive Director – Innovation and New Formats) with effect from February 3, 2020.

\*\*\* Appointed as an Additional Director (Non-Executive Independent Director) with effect from February 3, 2020.

## Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorships, Committee Memberships/Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 (the "Act") and Listing Regulations.

### 2.4 Separate Meeting of Independent Directors

The separate Independent Director's meeting scheduled on March 31, 2020 was rescheduled to June 29, 2020, due to outbreak of COVID-19 pandemic. This meeting was conducted through VC without the presence of Non-Independent Directors and members of the management in compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Companies Act to review (i) the performance of Non-Independent Directors and the Board of Directors as a whole; (ii) the performance of the Chairman of the Company by taking into consideration the views of Executive Directors and Non-Executive Directors. The Independent Directors also assessed the quality, quantity, and timeliness of flow of information between the Management and the Board of Directors and its Committees which is necessary to effectively and reasonably perform their duties.

### 2.5 Evaluation of Board's Performance

Pursuant to the provisions of the Act and Regulations 17 and 25 of the Listing Regulations, the Board had carried out an evaluation of the Directors as well as the evaluation of the Board and its Committees. The exercise was carried out through structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc.



Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, etc. The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience, competency of Directors, diversity of the Board, meeting of the Board including regularity and frequency, logistics, agenda, discussion and dissent, recording of Minutes, dissemination of information, functions of the Board; including role and responsibilities, strategy and performance evaluation, governance and compliance, evaluation of risks, grievance redressal for Investors, conflict of interest, stakeholder value and responsibility, corporate culture and values, review of Board evaluation, facilitation of independent directors; evaluation of management's performance and feedback, Independence of the management from the Board, access of the management to the Board and Board access to the management, secretarial support, fund availability, succession plan and professional development.

Whole-time Directors including Managing Director were evaluated on aspect such as professional qualification, experience, knowledge and competency, fulfilment of functions, ability to function as a team, Initiative, commitment, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of Conduct and Business Ethics of the Company, contribution to the growth of the Company, leadership Initiative like new ideas and planning towards the growth of the Company, team work attributes and supervising and training of staff members, Initiating steps for development of new brands for its products, compliance with policies, Reporting of frauds, violation etc. and disclosing disclosure of interest, safeguarding the interest of whistle blowers under vigil mechanism and Safeguarding of confidential information and Maintaining integrity.

Chairman of the Board was evaluated on key aspects of his effectiveness of leadership and ability to steer the meetings, co-ordination, commitment, Independent judgement, advise provided to the executive management, ability to keep shareholders' interest in mind and Impartiality.

Areas on which the Committees of the Board were evaluated included mandate and composition effectiveness of the Committee, structure of the Committee and Meetings, Independence of the Committee from the Board and contribution to decisions of the Board.

Independent Directors were evaluated on various aspects, including inter alia qualifications, experience, knowledge and competency, fulfilment of functions, Initiative, commitment, Independence, Independent views and judgement, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable, understanding the environment in which the company operates and contribution to strategic decision, contribution for resolving the issues at the meeting and raising valid concerns at the Board, interpersonal relations with other directors and management, objective evaluation of Board's performance, rendering independent unbiased opinion, safeguarding of confidential information and Maintaining integrity.

The Nomination and Remuneration Committee (NRC) also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the NRC provided feedback to the Board as well as Directors on an individual basis, as appropriate.

The Performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Executive Directors was carried by the Independent Directors. The performance evaluation of the Chairman was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees.

## **2.6 Familiarisation Programme for Independent Directors**

In accordance with the requirements of the Listing Regulations and Schedule IV of the Act, as amended, the Company has a programme (the "Programme") to familiarise the Independent Directors (the "Independent Directors") of the Company including in relation to the business model of the Company, nature of industry in which the Company operates and the roles, rights and responsibilities of the Independent Directors.

The Programme aims at enabling the Independent Directors to understand the business model of the Company and keep them updated on an ongoing basis about the significant changes which occur in the industry in which the Company operates.

The Company, through various presentations and/or discussions familiarises the Independent Directors on the overall economic trends, the performance of the food and beverage sector and analysis of the circumstances which have adversely impacted the Company's performance and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, comparison of the Company's performance with its peers in the Industry as available in public domain, marketing/ brand strategy, business risks and mitigation plan etc.

The Company conducted familiarization programme for Dr. Anita Bandyopadhyay, Additional Independent Director of the Company appointed during the year under review, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, as amended and Policy for Familiarization Programme for Independent Directors adopted by the Board for her to better understand and to update on the business operations of the Company.

The summary of the presentations made to the Independent Directors during the Financial Year 2019-20 as part of the ongoing familiarization programme is available on the website of the Company under the web link: [http://www.speciality.co.in/details\\_offamiliarization\\_programme\\_impacted\\_to\\_independent\\_directors.php](http://www.speciality.co.in/details_offamiliarization_programme_impacted_to_independent_directors.php).

## 2.7 Matrix setting out the core skills/ expertise/ competence of the Board of Directors

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board are given below:

Name the Director	Finance	Business and Expansion	Governance and Regulatory oversight	Sales & Marketing	Human Resources	Hospitality
Mr. Anjan Chatterjee	-	✓	✓	✓	-	✓
Mrs. Suchhanda Chatterjee	-	✓	✓	✓	-	✓
Mr. Indranil Chatterjee	✓	✓	✓	✓	-	✓
Mr. Avik Chatterjee	-	✓	✓	✓	-	✓
Mr. Dushyant Mehta	-	✓	✓	✓	-	-
Mr. Ullal Ravindra Bhat	✓	-	✓	✓	-	-
Mr. Rakesh Pandey	-	✓	✓	✓	-	-
Dr. Anita Bandyopadhyay	-	-	✓	-	✓	-

## 2.8 Board Confirmation regarding Independence of the Independent Directors

All the Independent Directors of the Company have given their respective declaration/ disclosures under section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under Section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board based on the disclosures received from all the Independent Directors, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the Listing Regulations and Section 149(6) of the Act and the Rules made thereunder and are independent of the Management as required under Regulation 25 of the Listing Regulations.

## 2.9 Resignation of Independent Director(s)

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

## 3. Audit Committee

### 3.1 Composition, Meeting and Attendance

The Audit Committee comprises of four Directors of whom three are Non-Executive Independent Directors. The Chairman of the Audit Committee is an Independent Director. Members have varied experience in the field of banking, finance, Investment and Capital Markets. The Executive Director-Finance & CFO is a permanent invitee for the meetings. The statutory auditors are also invited to the meetings. The internal auditors are also invited to share internal audit findings with the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met eight times during the year under review on May 7, 2019, May 29, 2019, June 24, 2019, August 9, 2019, September 14, 2019, November 7, 2019, February 3, 2020, March 10, 2020. The particulars of Members and their attendance at the Meetings are as under:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Ullal Ravindra Bhat	Chairman	Non-Executive Independent Director	8	8
Mr. Anjan Chatterjee	Member	Chairman & Managing Director	8	7
Mr. Dushyant Mehta	Member	Non-Executive Independent Director	8	7
Mr. Rakesh Pandey	Member	Non-Executive Independent Director	8	8

### 3.2 Terms of reference

The terms of reference of the Audit Committee are wide enough to cover the matters specified under Regulation 18 read with Part C of Schedule II to Listing Regulations, as well as Section 177 of the Act which are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and ratification of the auditors appointment, if required, the replacement of statutory auditors, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;



- c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
  - vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - viii. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - ix. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - x. Discussion with internal auditors of any significant findings and follow up there on;
  - xi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xiii. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of nonpayment of declared dividends) and creditors;
  - xiv. To review the functioning of the Whistle Blower mechanism;
  - xv. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xvi. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  - xvii. Approval or any subsequent modification of transactions of the company with related parties;
  - xviii. Scrutiny of inter-corporate loans and investments;
  - xix. Valuation of undertakings or assets of the Company wherever it is necessary; and
  - xx. Evaluation of Internal Financial Controls and risk management systems.
  - xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

### 3.3 The additional terms of reference of the Audit Committee are as under

- i. Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- ii. Framing, implementing, reviewing and monitoring the risk management plan for the Company; and
- iii. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Audit Committee.

### 3.4 Mandatory review of information

In accordance with Para B of Part C of Schedule II to the Listing Regulations, the audit committee shall mandatorily review the following information:-

- i. Management Discussion and analysis of financial conditions and results of operations;
- ii. Statement of significant related party transactions, submitted by the management;
- iii. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- vi. Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32 (1) of the listing regulations.
  - b. Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulations 32 (7) of the Listing Regulations.

#### 4. Nomination and Remuneration Committee

The Board at its meeting held on May 28, 2014, reconstituted the Board Governance and Remuneration Committee as the Nomination and Remuneration Committee ("NRC") for reviewing and recommending the remuneration payable to the Directors and senior executives of the Company and assisting the Board with respect to the process of appointment or re-election of Chairman of the Board of Directors and other executive and non-executive Directors.

##### 4.1 Composition, Meetings and Attendance

NRC comprises of three Non-Executive Directors, all of whom are independent Directors. Mr. Dushyant Mehta is the Chairman of NRC. Mr. Ullal Ravindra Bhat and Mr. Rakesh Pandey are Members of the Committee. The Company Secretary acts as Secretary to the Committee. One Meeting of NRC was held during the year under review on February 3, 2020 which was attended by all the Members of the Committee.

##### 4.2 Terms of reference

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations which are as under:-

- i. To assist the Board of Directors with the process of appointment or re-election of Chairman of the Board of Directors and other non-executive and executive directors. In this regard, the NRC shall adhere to the following:
  - a. For the appointment/ re-election of the Chairman of the Board and with a view of reaching unequivocal consensus of the Members of the Board on the candidate, the Chairman of the NRC shall conduct a consultation with the Members of the Board and report the conclusion to the Board, after having discussed the same with the Members of the NRC;
  - b. To submit to the Board the names of candidates for new Members of the Board and to make relevant proposals to the Board in the event of renewal, resignation or possible retirement of any existing Member of the Board. With regard to proposals for appointment of Members of the Board, the NRC shall discuss with the Board, the Board's equilibrium criteria and profile of the candidate.
- ii. To draft procedures and propose modifications thereof for the appointment of Members of the Board, Managing Director and Chief Executive Officer;
- iii. To assist the Board of Directors in formulating and implementing the remuneration policy of the Company vis-à-vis the Executive Directors of the Company;
- iv. To recommend to the Board of Directors, the terms of compensation of the Executive Directors;
- v. To recommend compensation to the Non-Executive Directors in accordance with the provisions of the Act;
- vi. To approve any changes in the system of remuneration of the Company's senior executives;
- vii. To prepare remuneration report to be included in the report on corporate governance forming part of the annual report of the Company;
- viii. To consider and administer the ESOP Scheme and to formulate the detailed terms and conditions of the ESOP scheme including the following matters:
  - a. The quantum of options to be granted under an employee stock option scheme per employee and in aggregate;
  - b. The conditions under which options vested in employees may lapse in case of termination of the employment for misconduct;
  - c. The exercise period within which the employee should exercise that option and that option would lapse on failure to exercise the option within the exercise period;
  - d. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
  - e. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - f. The procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issues, merger, sale of division and others. In this regard the following shall be taken into consideration by the NRC:-
    - (i) the number and the price of stock options shall be adjusted in a manner such that the total value of the stock options remains the same after the corporate action;
    - (ii) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
    - (iii) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
  - g. The grant, vest and exercise of option in case of employees who are on long leave; and
  - h. The procedure for cashless exercise of option.

- ix. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, to recommend to the Board their appointment and removal and shall carry out the performance evaluation of each of the directors of the Company including independent directors.
- x. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- xi. The NRC while formulating the above policy shall ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial personnel, and senior management involves balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- xii. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- xiii. Devising a policy on diversity of board of directors.
- xiv. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- xv. recommend to the board, all remuneration, in whatever form, payable to senior management

#### **4.3. Performance evaluation criteria for independent directors**

Independent Directors are evaluated on parameters such as qualifications, experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, commitment, Independence, Independent views and judgement, availability, attendance and participation in the discussion at the Meetings, adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable, understanding the environment in which the company operates and contribution to strategic decision, Contribution for resolving the issues at the meeting and raising valid concerns at the Board, Interpersonal relations with other directors and management, Objective evaluation of Board's performance, rendering independent unbiased opinion, Safeguarding of confidential information and Maintaining integrity.

#### **4.4 Remuneration Policy**

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Employees which is as under:

##### **4.4.1 Remuneration of Executive Directors**

NRC shall determine the remuneration payable to the Whole-time/Managing Director and recommend to the Board for its approval. The Board's approval shall be subject to the prior or post approval ratification of the Members of the Company and/or central government, if required, under applicable laws. The Remuneration packages for the Whole-time/Managing Director(s) shall be in accordance with the applicable percentages/slabs/conditions as set out in the Articles of Association of the Company, the Act and rules made thereunder, which may be in force from time to time. The Whole-time/Managing Director(s) remuneration shall comprise of salary, perquisites and other allowances like medical insurance apart from other retirement benefits like Gratuity, etc., as per the Rules of the Company. The Whole-time/Managing Director is entitled to commission on net profits calculated in accordance with the performance of the Company, subject to the approval of the Board. If in any financial year the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to its Whole-time/ Managing Director(s) in accordance with the provisions of Schedule V of the Act.

##### **4.4.2 Remuneration of Non-Executive Directors**

Non-executive Directors may be paid remuneration in the form of sitting fees for attending the Board and Committee Meetings as fixed by the Board of Directors from time to time subject to the limits prescribed under the Act.

In addition to the above the Non-Executive Directors may also be paid commission on net profits not exceeding 1% of the net profits of the Company as decided by the Board and approved by the Members from time to time.

The Non-Executive Directors are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable to the Non-Executive Directors and/or Whole-time/Managing Director(s) beyond the permissible limit under the Act shall be subject to the approval of the Members at the Annual General Meeting by special resolution and/or of the Central Government as may be applicable.

#### 4.4.3 Remuneration to Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Remuneration to KMP and SMP other than Whole-time Directors /Managing Director is decided by the Managing Director. The remuneration consists of the following components:

- i. Basic Salary;
- ii. House Rent Allowance;
- iii. Other Allowances; and
- iv. Retirement benefits such as Contribution to PF, Gratuity, Ex-Gratia, etc. as per the Rules of the Company.

#### 4.4.4 Remuneration to Other Employees

The power to decide structure of remuneration for other employees has been delegated to HR department of the Company.

#### 4.4.5 Stock Options

Subject to the provision of the Act, the Whole-time/Managing Director(s), KMPs; SMPs may be eligible for stock option or any other benefits as may be decided by NRC from time to time except for:

- i. An Employee who is a promoter or relative of the promoter(s);
- ii. Any Director holding more than 10% of Equity Shares of the Company either directly or indirectly; and
- iii. Independent Directors.

### 5 Remuneration of Directors

#### 5.1 Pecuniary relationship or transactions of Non-Executive Directors

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from payment of sitting fees.

#### 5.2 Criteria and Remuneration paid to Non-Executive Directors of the Company

Non-Executive Directors may be paid remuneration by way of fee (sitting fee) for attending each meeting of the Board of Directors and its Committees thereof and reimbursement of expenses for participation in the meetings of the Board of Directors or Committees thereof or for any other purpose whatsoever as may be decided by the Board from time to time subject to the limits prescribed under the Companies Act. They are entitled to be paid all travelling and other expenses they incur for attending the Company's affairs, including attending and returning from General Meeting of the Company or the Meetings of the Board of Directors or Committee of Directors.

The Board at its Meeting held on May 29, 2019, approved increase in the sitting fees payable to Non-Executive Directors from ₹ 30,000/- to ₹ 50,000/- for attending each meeting of the Board and from ₹ 20,000/- to ₹ 40,000/- for attending each meeting of the Audit Committee. The sitting fees for attending each meeting of other Committees of the Board remains unchanged amounting to ₹ 20,000/-.

The Company has not granted any stock option to any of its Non-Executive Directors

Besides the sitting fees, all Non-Executive Directors may also be paid commission subject to the overall limit of 1% of the net profits of the Company in pursuance of the approval granted by the Members of the Company at the Annual General Meeting held on August 24, 2016.

The details of payment of sitting fees paid to the Non-Executive Independent Directors during the financial year 2019-20 were as under:

Sr. No.	Name of the Director	Sitting fees paid for the FY 2019-20 (₹)
1	Mr. Dushyant Mehta	6,20,000
2	Mr. Ullal Ravindra Bhat	6,40,000
3	Mr. Rakesh Pandey	6,20,000
4	Dr. Anita Bandyopadhyay*	N.A.
	<b>Total</b>	<b>18,80,000</b>

\*Appointed with effect from February 3, 2020.

In view of the no profits during the financial year 2018-19, no amount was available to be paid in accordance with the provisions of Section 197 and 198 of the Act, to consider the payment of commission to Non-Executive Directors during the financial year 2019-20.

#### 5.3 Remuneration to Managing Director/Whole-time Directors of the Company

The Remuneration of Managing Director/Whole-time Directors are decided on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors and Members. The remuneration package of Managing Director/ Whole-time Directors comprises of salaries, allowances, perquisites, Incentive Remuneration and contribution to provident fund and other funds and/or commission. The details of remuneration paid during the financial year 2019-20 are summarised below:-



Sr. No.	Name of the Director	Designation	Salary, Allowances and Perquisites (₹)	Company's contribution to Provident Fund (₹)
1	Mr. Anjan Chatterjee	Chairman & Managing Director	57,78,800	Nil
2	Mrs. Suchhanda Chatterjee	Whole-time Director (Director-Interior & Design)	20,12,500	Nil
3	Mr. Indranil Chatterjee	Deputy Managing Director	21,46,600	Nil
4	Mr. Avik Chatterjee*	Whole-time Director (Executive Director – Innovation and New Formats)	2,25,000	Nil
	<b>Total</b>		<b>1,01,62,900</b>	-

\*Appointed with effect from February 3, 2020

#### 5.4 Stock option details

The Board granted 50,000 stock options during the financial year 2013-14 in favour of Mr. Indranil Chatterjee, Whole-time Director of the Company at an exercise price of ₹ 126.20 per share. The options granted to Mr. Indranil Chatterjee shall vest over a period of 4 years and are exercisable within 3 years from the date of vesting.

No option was granted during the financial year 2019-20. No vested options were exercised by him as on March 31, 2020. During the financial year 2019-20, 12,500 vested options lapsed due to non-exercise.

#### 5.5 Service contracts, notice period and severance fees

Service of Managing Director and Whole-time Director of the Company may be terminated by either party giving the other party 180 days' notice or the Company paying 180 days' salary in lieu thereof. There is no separate provision for payment of severance fees.

#### 6. Stakeholders Relationship Committee

The Stakeholders Relationship Committee ("SRC") has been constituted for the redressal of the grievances of security holders of the Company.

##### 6.1 Composition, Meetings and Attendance

As on March 31, 2020, the Committee comprises of three members namely, Mr. Dushyant Mehta, Chairman and Mr. Anjan Chatterjee and Mr. Indranil Chatterjee, Members of the Committee. Mr. Avinash Kinshikar, Company Secretary & Legal Head of the Company acts as the Secretary to the Committee and is also the Compliance Officer of the Company. One Meeting of SRC was held during the year under review on November 7, 2019, which was attended by Mr. Dushyant Mehta and Mr. Indranil Chatterjee.

##### 6.2 Terms of reference

The terms of reference of the Stakeholders Relationship Committee include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

##### 6.3 Status report on number of shareholders' complaints received, resolved and pending during the year ended March 31, 2020

The Company had appointed Link Intime India Private Limited as Registrars and Share Transfer Agents of the Company for carrying out all work relating to shares of the Company.

During the financial year under review no shareholder's complaint was received by the Company and no complaint was pending as at the close of the financial year.

#### 7. Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") as required under Section 135 of the Act.

##### 7.1 Composition, Meetings and Attendance

The CSR Committee comprises of three Members namely, Mr. Dushyant Mehta, Chairman and Mrs. Suchhanda Chatterjee and Mr. Ullal Ravindra Bhat are Members of the Committee. The Company Secretary acts as the Secretary to the Committee.

One Meeting of CSR Committee was held during the year under review on November 7, 2019, which was attended by all the Members of the Committee.

## 7.2 Terms of reference

The terms of reference of the CSR Committee include the following:

- i. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii. To recommend the amount of expenditure to be incurred on the activities in connection with corporate social responsibility to be undertaken by the Company in accordance with Section 135 of the Act; and
- iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

## 8. General Body Meetings

### 8.1 Location, date, time of the Annual General Meeting (AGM) held and the special resolutions passed thereat for the last 3 years are as under:

Sr. No.	Financial Year	Annual General Meeting	Date	Time	Location	Particulars of Special Resolution
1	2018-19	20 <sup>th</sup> AGM	August 23, 2019	11 a.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017	<b>Resolution No. 5:</b> Re-appointment of Mr. Dushyant Mehta (DIN: 00126977) as an Independent Director of the Company. <b>Resolution No. 6 :</b> Ratification of remuneration paid to Mrs. Suchhanda Chatterjee pursuant to the Companies (Amendment) Act, 2017 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. <b>Resolution No. 7 :</b> Ratification of remuneration paid to Mr. Indranil Chatterjee pursuant to the Companies (Amendment) Act, 2017.
2	2017-18	19 <sup>th</sup> AGM	August 27, 2018	11 a.m	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017	Not applicable.
3	2016-17	18 <sup>th</sup> AGM	August 21, 2017	11 a.m	Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700017	<b>Resolution No. 5:</b> Re-appointment of Mr. Anjan Chatterjee (DIN: 00200443) as Managing Director of the Company.

All Special Resolutions in the previous three AGMs of the Company were passed with requisite majority. All Resolutions were approved through remote e-voting and e-voting at the venue of the AGM held on August 23, 2019 last year.

## 9. Postal Ballot

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## 10. Means of Communication

### 10.1 Quarterly results

The financial results are normally published in the Business Standard (all editions) and Aaj Kaal (a regional newspaper published in the State of West Bengal) newspapers and also displayed on the website of the Company at [www.speciality.co.in](http://www.speciality.co.in).

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the Stock Exchanges, press releases, Annual Report and uploading relevant information on its website.

### 10.2 Presentations made to institutional investors or to the analysts

The presentations made to the institutional investors or to the analysts were submitted to Stock Exchanges and uploaded on the website of the Company.

## 11. General Shareholder Information

### 11.1 Twenty First Annual General Meeting

Day, Date & Time : Tuesday, September 22, 2020 at 11.00 a.m. (IST)

Venue : To be held through Video Conferencing or Other Audio Visual Means.





## 11.2 Tentative Financial Calendar for Financial year 2020-21

Financial reporting for the quarter ending June 30, 2020.	On or before 2nd Week of September, 2020.
Financial reporting for the quarter/half year ending September 30, 2020.	On or before 2nd week of November, 2020.
Financial reporting for the quarter ending December 31, 2020.	On or before 2nd week of February, 2021.
Financial reporting for the year ending March 31, 2021.	On or before last week of May, 2021.

## 11.3 Book closure

Wednesday, September 16, 2020 to Tuesday, September 22, 2020 (Both days inclusive)

## 11.4 Listing Details

The Company's Equity Shares are listed on the Stock Exchanges mentioned below:

National Stock Exchange of India Limited ("NSE")	BSE Limited ("BSE")
"Exchange Plaza", Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 051.	Phiroze Jeejhabhoy Towers, Dalal Street, Mumbai 400 001.

## 11.5 Stock Codes

Stock Exchange	Stock code
National Stock Exchange of India Limited	SPECIALITY
BSE Limited	534425

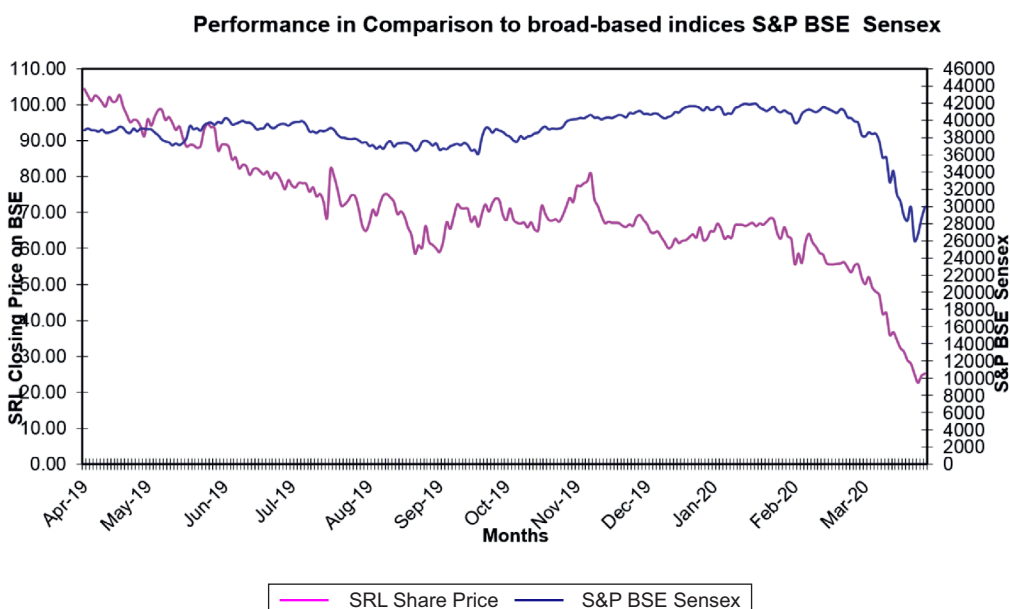
The Listing Fees have been paid to NSE and BSE for the financial year 2020-21.

## 11.6 Stock Market Data

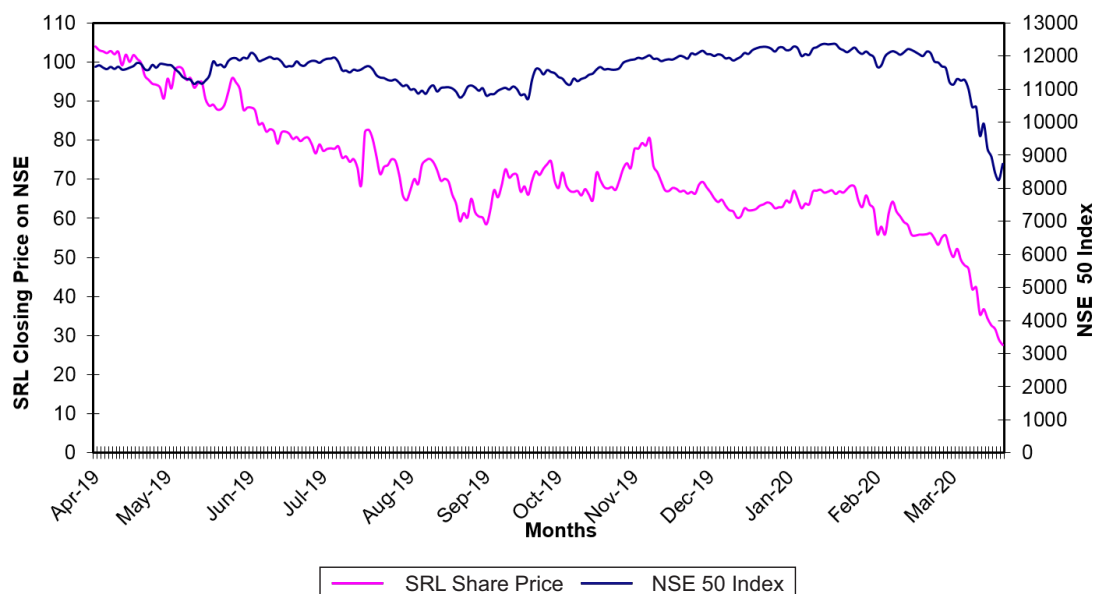
The monthly high/low of the market price of the shares of the Company during the financial year 2019-20 is given below

Months	BSE Limited (BSE)				National Stock Exchange of India Limited (NSE)			
	High	Low	No. of Shares Traded	S&P BSE Sensex Closing	High	Low	No. of Shares traded	Nifty 50 Index Closing
April 2019	106.40	90.10	26,351	39,031.55	107.10	90.30	6,89,850	11,748.15
May 2019	101.90	83.10	1,36,458	39,714.20	101.40	83.20	19,62,923	11,922.80
June 2019	92.85	75.60	1,28,035	39,394.64	89.90	75.30	9,34,816	11,788.85
July 2019	87.80	63.30	77,091	37,481.12	87.90	63.45	10,46,907	11,118.00
August 2019	78.00	56.00	42,082	37,332.79	83.65	57.00	553,724	11,023.25
September 2019	78.00	57.95	63,332	38,667.33	75.80	57.90	5,24,306	11,474.45
October 2019	78.00	64.00	80,967	40,129.05	77.40	63.95	7,79,640	11,877.45
November 2019	83.05	64.20	2,16,140	40,793.81	82.95	65.80	30,71,169	12,056.05
December 2019	67.50	60.00	45,611	41,253.74	67.95	60.00	6,66,587	12,168.45
January 2020	71.95	61.55	4,72,467	40,723.49	72.00	60.70	96,96,577	11,962.10
February 2020	67.75	50.55	3,40,691	38,297.29	67.50	50.50	51,64,803	11,201.75
March 2020	54.50	20.45	1,45,135	29,468.49	55.90	20.15	23,91,496	8,597.75

## 11.7 Stock Performance in comparison to broad based indices S&P BSE Sensex



### Performance in Comparison to broad-based indices such as NSE 50 Index



#### 11.8 Registrar and Share Transfer Agents

Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Tel No. (91 22) 49186000/ 49186270  
Fax No. (91 22) 49186060 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### 11.9 Shares Transfer System (Physical Form)

The Board has delegated the authority for approving the transfer, transmission, etc. of the Company's Equity Shares to the Stakeholders Relationship Committee comprising of Mr. Dushyant Mehta, Mr. Anjan Chatterjee and Mr. Indranil Chatterjee as its Members. The transmission or transposition of share certificates in physical form are effected in 15 days and certificates are issued within 30 days from the date of receipt, if the documents are clear in all respects, which are noted at subsequent Board Meetings.

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities.

The Company obtains from the Practising Company Secretaries half yearly certificate/s of compliance with regard to the share transfer formalities as required under 40(9) of the Listing Regulations and the same has been filed with the Stock Exchanges for the applicable period.

#### 11.10 Distribution of Shareholding as on March 31, 2020

No. of Equity Shares held	No. of Members	% of Members	No. of Shares held	Total % to the Paid up share capital
1 – 500	14,664	83.24	16,80,877	3.58
501 - 1,000	1,193	6.77	9,76,189	2.08
1,001- 2,000	781	4.43	11,83,813	2.52
2,001- 3,000	328	1.86	8,34,377	1.78
3,001- 4,000	148	0.84	5,33,714	1.14
4,001- 5,000	112	0.64	5,27,277	1.12
5,001- 10,000	188	1.07	13,64,822	2.90
10,001 and above	203	1.15	3,98,56,588	84.88
<b>Total</b>	<b>17,617</b>	<b>100.00</b>	<b>4,69,57,657</b>	<b>100.00</b>

#### 11.11 Shareholding pattern as on March 31, 2020

Category	No. of Share held	Total % to the Paid up share capital
Promoters and their relatives	2,40,40,057	51.20
Other Bodies Corporate	41,94,784	8.93
Alternate Investment Funds	7,33,250	1.56
Non Resident Indians	3,23,473	0.69
Public and Others	1,76,66,093	37.62
<b>Total</b>	<b>4,69,57,657</b>	<b>100.00</b>



### 11.12 Top ten shareholders as on March 31, 2020

Name of the Shareholder	No. of Share held	% of Shareholding
Anjan Chatterjee	1,20,70,000	25.71
Suchhanda Chatterjee	1,19,70,000	25.49
Deepak Bhagnani	27,81,334	5.92
Deepak Bhagnani and Son HUF	13,53,689	2.88
Tasha Investment Advisors LLP	11,59,476	2.47
Chander Bhatia	7,89,353	1.68
Bharat Bhagnani	7,35,802	1.57
Trustline Deep Alpha AIF	7,33,250	1.56
Tasha Enterprises LLP	6,40,675	1.36
Neoworth Commercial Private Ltd	5,00,000	1.07
<b>Total</b>	<b>3,27,33,579</b>	<b>69.71</b>

### 11.13 Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital was carried out on a quarterly basis in accordance with the Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. M/s. GMJ & Associates, Company Secretaries have been appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Reports of M/s. GMJ & Associates which have been submitted to the Stock Exchanges within the stipulated period, inter-alia confirms that the equity shares of the Company held in dematerialised form and in physical form tally with the issued and paid-up equity share capital of the Company.

### 11.14 Dematerialisation of Shares

4,69,57,506 Equity Shares representing 99.99 % of the paid-up Equity Share Capital has been held in dematerialized form as on March 31, 2020. The Company's equity shares are regularly traded on NSE and BSE, in dematerialised form.

Under the depository system, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE247M01014.

### 11.15 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity

No GDRS/ADRS/Warrants or any convertible instruments have been issued by the Company which were pending for conversion as on March 31, 2020.

### 11.16 Commodity Price risk or foreign exchange risk and hedging activities

The disclosure of the Commodity Price risk, foreign exchange risk and Company's hedging activities wherever required is given in the Note No. 33.3.3 to the Financial Statements of the Company.

### 11.17 Dealing with securities which have remained unclaimed and disclosure with respect to unclaimed suspense account

In terms of Regulation 39(4) read with schedule VI of the Listing Regulations, the Company has delegated procedural requirements to Link Intime India Private Limited, the Share Transfer Agent (STA) of the Company. The STA has confirmed that they do not have any shares of the Company lying with them unclaimed and they were not required to follow the procedure for dealing with unclaimed shares, which required disclosure the status of unclaimed suspense account in this annual report.

### 11.18 Unpaid and Unclaimed Dividends

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on March 31, 2019 on the Company's website [www.speciality.co.in](http://www.speciality.co.in) and on the website of the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, including the statutory modification(s) or re-enactment(s) thereof, for the time being in force ("IEPF Rules, 2016"), the Company is required to transfer not only all unclaimed / unpaid dividend but also the equity shares in respect of which dividends are not claimed for the continuous period of seven years from the date they first became due for payment, by any shareholder, to the Depository Account of the IEPF.

Given below are the last dates by which the Members can claim the unpaid / unclaimed dividend before transfer to the IEPF by the Company.

Financial Year	Date of Declaration of Dividend	Last date to claim unclaimed dividend *
2012-13	13-08-2013	11-09-2020
2013-14	15-09-2014	14-10-2021
2014-15	26-08-2015	24-09-2022

\*Indicative dates, actual dates may vary.

The Company had sent notices to all such members to claim the unclaimed amount(s) on or before September 11, 2020.

Notice to claim the unclaimed amount(s) was sent through e-mail on April 6, 2020 on the addresses which are registered with the Company/Depository Participants for communication purposes.

Further, Notice to claim the unclaimed amount(s) was sent through courier on June 9, 2020 and published a newspaper advertisement on June 11, 2020.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on iepf. gov. in) along with requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

Following are the details of unpaid dividend which will be due for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Last date to claim unclaimed dividend *
2012-13	13-08-2013	11-09-2020

While the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholders is again drawn to this matter through the Annual Report.

## 12. Locations of Restaurants and Confectionaries as on March 31, 2020:

### Location of Company Owned Company Operated restaurants (COCO Model):

Sr. No.	Name of the Restaurant	Address of the Restaurant
1	Mainland China	3A, Gurusaday Road, Uniworth House, Kolkata-700019.
2	Mainland China	South City Mall, Shop No.313, 3rd Floor, 375, Prince Anwar Shah Road, Kolkata-700068.
3	Mainland China	Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T1-T2 (EM Bypass), Kolkata-700105
4	Oh! Calcutta	10/3, Elgin Road, 4th Floor, Forum Mall, Kolkata - 700020.
5	Oh! Calcutta	Silver Arcade, 3rd Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
6	Sigree Global Grill	Silver Arcade, 1st Floor, 5, J.B.S. Haldane Avenue, T-1, T-2 (EM Bypass), Kolkata -700105.
7	Flame & Grill	Shop No 310, South City Mall, 375, Prince Anwar Shah Road, Kolkata - 700068.
8	Flame & Grill	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054.
9	Jungle Safari	Mani Square, 4th Floor, Shop No. 407, 164/1, Manicktala Main Road, (EM Bypass), Kolkata -700054.
10	Haka	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
11	Haka	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1 Manicktala Main Road, (EM Bypass), Kolkata-700054
12	Hoppipola	Mani Square, 4th Floor, Shop Nos. 403/404, 164/1, Manicktala Main Road, (EM Bypass), Kolkata - 700054
13	Hoppipola	Acropolis Mall, 4th Floor, Premises No. 1858/1, Rajdanga Main Road, Kolkata 700107
14	Hoppipola	Infinity Benchmark, 1st Floor, Sector V, Salt Lake, Kolkata 700091.
15	Kix	E-205, Block-E, City Centre, DC Block, Sector-1, Salt Lake, Kolkata - 700064.
16	Café Mezzuna	Forum Mall, 4th Floor, Shop Nos. 401-402, 10/3, Elgin Road, Kolkata, 700020
17	Café Mezzuna	South City Mall, 2nd Floor, 375, Prince Anwar Shah Road, Kolkata 700068
18	Asia Kitchen by Mainland China	Acropolis Mall, Unit No. R 002, 4th Floor, 1858/1, Rajdanga Main Road, Kolkata 700107
19	Calcutta Canteen	4th Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
20	Haka – Asia Bowl	4th Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
21	Kaazi	4th Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
22	Riyasat	R-301, Third Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
23	BARishh	R-402, Fourth Floor, South City Mall, 375 Prince Anwar Shah Road, Kolkata 700068
24	Haka Xpress	1/504, Ground Floor, Gariahat Road (South), Jodhpur Park, Kolkata 700068
25	Haka	Unit No. 1A, First Floor, Riddhi Siddhi Pearl, Municipal Premises No. 5, Bose Para Byelane, Kolkata 700 068.
26	Haka	Shop No. 402, 4 <sup>th</sup> Floor, Lake Mall, 104, Rashbehari Avenue, Kolkata 700029
27	Mainland China	Shalimar Morya Park, Ground Floor, Off New Link Road, Andheri (W), Mumbai- 400053.
28	Mainland China	City Park, 1st Floor, Central Avenue, Hiranandani Business Park, Next to D'Mart, Hiranandani, Powai, Mumbai-400076.
29	Mainland China	Unit No.TF-308, Infiniti Mall II, Link Road, Malad West, Mumbai-400064.
30	Mainland China	Unit No. S-00, Growels 101 Mall, Kandivali (East), Mumbai-400101
31	Mainland China	R City Mall, 3rd Floor, L.B.S Marg, Ghatkopar (West), Mumbai – 400086
32	Mainland China	Viviana Mall, F-38, 1st Floor, Subhash Nagar, Next to Jupiter Hospital, Thane West-400606.
33	Mainland China	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703
34	Oh! Calcutta	Hotel Rosewood, 99/C Tulsiwadi Lane, Opp. Mahindra Heights, Tardeo, Mumbai - 400034.



Sr. No.	Name of the Restaurant	Address of the Restaurant
35	Oh! Calcutta	Melbourn Society, Shastri Nagar, Lokhandwala Complex, Andheri (West), Mumbai – 400053
36	Oh! Calcutta	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai-400052.
37	Hoppipola	757, Hotel Ramee Guestline, Md. Ali Quereshi Chowk, S.V.Road, Khar West, Mumbai- 400052.
38	Hoppipola	Shop Nos. 135-138 A, Galleria Shopping Center, Hiranandani Gardens, Powai, Mumbai 400059
39	Hoppipola	Third Floor, Infinity Mall – II, Link Road, Malad West, Mumbai 400064
40	Sigree	Plot Nos. 17/18, Restaurant-1, 1st Floor, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703
41	Sigree Global Grill	Ventura Shopping, 1st Floor Central Avenue Road, Hiranandani Business Park, Hiranandani Gardens, Powai, Mumbai-400076.
42	Sigree Global Grill	Palm Spring, Unit No.812, 8th Floor, Next to D'Mart Store, Link Road, Kanchpada, Malad (W), Mumbai-400064.
43	Asia Kitchen by Mainland China	Unit No. T-16, 3rd Floor, Palladium Mall, Phoenix Mills Compound, 462, Senapati Bapat Marg, Lower Parel, Mumbai-400013.
44	Asia Kitchen by Mainland China	Unit No. R-04, Third Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off. Western Express Highway, Goregaon (East), Mumbai-400063.
45	Asia Kitchen & Bar	Sakinaka Junction, Andheri Kurla Road, Sakinaka, Andheri East, Mumbai - 400072.
46	Zoodles	Unit No. FC-18, 3rd Floor, Oberoi Mall, International Business Park, Oberoi Garden City, Off Western Express Highway, Goregaon East, Mumbai 400063
47	Zoodles	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
48	Episode One	Unit No. 3, First Floor, “Delphi” Building, Hiranandani Business Park, Powai, Mumbai – 400076.
49	Cloud Kitchen	Gala No. 7 & 8, Ground Floor, 41, National House, Saki Vihar Road, Chandivali, Junction, Mumbai – 400072.
50	Asia Kitchen by Mainland China	City Point, Ground Floor, Dhole Patil Road, Pune-411001.
51	Mainland China	Plot No.403, Unit No.7, Ground Floor, ICC Tech Park, Pyramid Mall, Village Bhamburda (Shivaji Nagar), Senapati Bapat Road, Pune-411016.
52	Mainland China	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
53	Mainland China	EB-SF-15, 2nd Floor, East Block, Amanora Town Center, Hadapsar, Pune-411028.
54	Sigree	City Tower, Ground floor, Dhole Patil Road, Pune-411011.
55	Sigree	Ground Floor, Mezzanine Floor and Garden, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
56	Hoppipola	Ground Floor, Shrinanda residency, Survey No. 126/2b, ITI Road, Aundh, Pune-411007.
57	Gong – Modern Asian	Unit Nos. 22 and 23, Ground floor, Balewadi High Street, Balewadi, Pune 411045
58	Mainland China	Plot No. 4, Local Shopping Centre, Masjid Moth, Greater Kailash-II, New Delhi-110048
59	Mainland China	Ground Floor, Plot No. K-1, Dharam Palace, Sector 18, Noida-201301
60	Oh! Calcutta	Ground Floor, Block “E”, American Plaza, International Trade Tower, Nehru Place, New Delhi-110019
61	Oh! Calcutta	DLF Cyber Hub, Shop No. 9, Opposite Gateway Tower, Near Bldg 8, DLF City Phase 2, Gurgaon 122002.
62	Mainland China	14, Church Street, Bengaluru-560001.
63	Oh! Calcutta	14, Church Street, Bengaluru-560001
64	Mainland China	No.4032, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru - 560038.
65	Mainland China	136, 1st Cross, 5th Block, Jyoti Niwas College Road, Opp. Java City, Koramangala, Bengaluru-560095.
66	Mainland China	19, 5th Block, 5th Main Road, 40th cross, Jayanagar, Bengaluru-560041
67	Mainland China	Orion Mall, Brigade Gateway, 26/1, 80 Feet Road, 9A, Rajaji Nagar Extension, Malleswaram West, Bengaluru-560055.
68	Mainland China	28/2, 1st Floor, Siddapura, Whitefield Main Road, Bengaluru-560066.
69	Mainland China	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043
70	Sigree Global Grill	2nd & 3rd Floor, 5AC - 430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043
71	Urban Deccan Pub (UDP)	No.4052, 100 ft Road, HAL-II Stage, Indiranagar, Bengaluru-560038.
72	Hoppipola	3rd Floor, 14, Church Street, Bengaluru - 560001.
73	Hoppipola	5AC-430, 5th A Cross, Service Road, HRBR Layout, Kammanahalli, Bengaluru-560043
74	Mainland China	Phoenix Market City, 1st Floor, Velachery Road, Chennai – 600042.
75	Asia Kitchen by Mainland China	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai, Tamilnadu 600034

Sr. No.	Name of the Restaurant	Address of the Restaurant
76	Sigree Global Grill	4th Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
77	Hoppipola	Ground Floor, The Spring Hotel, 11, Kodambakkam Road, Nungambakkam, Chennai 600034
78	Mainland China	Building No.6-3-1186/1/1, 2nd & 3rd Floors, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
79	Mainland China	Plot Nos. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
80	Oh! Calcutta	Building No.6-3-1186/1/1, Ground Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020
81	Sigree	Building No.6-3-1186/1/1, First Floor, Near ITC Kakatiya Hotel, Begumpet, Hyderabad-500020.
82	Hoppipola	Plot No. 1 & 2, Survey No. 64 (P), Rohini Layout, Opp. Silparamam, Hi Tech City, Madhapur, Hyderabad-500081.
83	Hay	Building No.6-3-1186/1/1, 1st Floor, Near ITC Kakatiya Hotel, Begumpeta, Hyderabad-500020.

**Location of Franchise Owned Company Operated Restaurants (FOCO Model):**

1	Mainland China	3rd Level, Centre Square Mall, Near Genda Circle, Sarabhai Road, Vadodara- 390007.
2	Mainland China	A1/ (a), IRC Village, Nayapalli, Bhubaneswar-751015.
3	Mainland China	S.C.O. 40, Sector-26, Madhya Marg, Chandigarh-160019.
4	Mainland China	Riverside Mall, Plot No. 3, 3rd Floor, Vipin Kunj, Gomti Nagar, Vipinkhand, Lucknow- 226010.
5	Mainland China	Shop No.301, 3rd Floor, Junction Mall, City Center, Durgapur-713216.
6	Mainland China	Central Mall, 5th Floor, Frazer Road, Patna-800004.
7	Mainland China	Gulmohar Mahal, 4th Floor, Satellite Road, Ahmedabad-380015
8	Mainland China	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
9	Machaan	Fine Dining-4, 3rd Floor, Avani River Side Mall, 32, Jagat Banerjee Ghat Road, Howrah-711102.
10	Mainland China	Srinivas Towers, NBR 5 Centhop Road, Chennai-600018.
11	Sigree	15, First Floor, Sardar Patel Road, Adyar, Chennai-600020
12	Sigree	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania.
13	Mainland China	Uhuru Heights, Bibi Titi Mohamed Road, P.O.Box 1494, Dar Es Salaam, Tanzania
14	Mainland China	New No. 96. Old No. 15, S Block, 5th Avenue, (Opposite T.N.E.B. Office), Anna Nagar, Chennai-600040.
15	Zoodles	Food Court, Level III, Domestic Departure, Terminal 2, Chhatrapati Shivaji International Airport, Sahar Road, Andheri East, Mumbai 400099.
16	Sigree	Plot No. 4737, New Door Nos.17, 19, 21, Old Door No. AA24, AA Block, 3rd Street, Annanagar East, Chennai – 600040.
17	Hoppipola	Necelus Mall, 4th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
18	Machaan	Necelus Mall, 4th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
19	Sigree	Necelus Mall, 4th Floor, Circular Road, Opposite East Jail Road, Near CJM Bunglow, Lalpur, Ranchi 834001.
20	Mainland China Asia Kitchen	Third Floor , Ambience Mall, Near Toll Plaza, Gurgaon , Haryana – 122002
21	Asia Kitchen by Mainland China	Ground level, Burjuman Centre, Opp. Carrefour, Bur Dubai
22	Sigree	Unit No. SU/205, 2nd Floor, Esplanade1, Rasulgarh, Bhubaneswar, Odisha 751007
23	Mainland China	ANZ Properties, Plot No.01, Road No.11, Block No. H, Banani, Dhaka
24	Hoppipola	P.O. Box, 1494, Plot No. 70, Haile Selassie Road, Dar-Es-Salaam, Tanzania
25	Episode One	First Floor, Trinity Tower, 83, Topsia Road South, Kolkata 700046
26	Hoppipola	Plot No. 18, Yerawada, Kalyani Nagar, Pune

**Confectionaries (Company Owned and Company Operated):**

1	Sweet Bengal	Shop No. 9, Saooli Bldg, Apt, Opp. Andheri Sports Complex, J. P. Road, Andheri (W), Mumbai-400058.
2	Sweet Bengal	Shop No. 8, Kenwood Bldg, Ambedkar Road, Bandra (W), Mumbai-400050.
3	Sweet Bengal	Shop No. 8, Fairlawn Co-Op Hsg. Society Ltd, Near Bahri Petrol Pump, Sion-Trombay Road, Chembur, Mumbai-400071.
4	Sweet Bengal	Shop No.72-A, Maker Arcade Premises Co. Op. Society, Cuffee Parade, Mumbai-400005.
5	Sweet Bengal	29, Om Geeta Niwas, Shivaji Park, Mahim, Mumbai-400016.
6	Sweet Bengal	Shop No.4, Shivgauri Apts, Ahimsha Marg, Off. Link Road, Malad (W), Mumbai-400064.
7	Sweet Bengal	Shop No. 10, Matru Ashish, Nepean Sea Road, Mumbai-400036.
8	Sweet Bengal	Shop No.126, Galleria Shopping Complex, Hiranandani Gardens, Powai, Mumbai-400076.
9	Sweet Bengal	2, Shaswat, M.G. Road, Opp: Jain Mandir, Vile Parle (E), Mumbai-400057.
10	Sweet Bengal	L-12, Gokuldham Shopping Center, Gokuldham, Goregaon (East), Mumbai-400 063.
11	Sweet Bengal	Shop No. 29, E.M.P. 51, Evershine Halley Co-operative Housing Society, Thakur Village, Kandivali East, Mumbai - 400 101.



12	Sweet Bengal	Queens Gate, Shop No.6, Ghodbunder Road, Hiranandani Estate, Thane- 400607.
13	Sweet Bengal	Shop no-18, Trimbak Tower, Plot no-86, Sector-15, CBD Belapur, Palm - Beach Road, Navi Mumbai - 400614.
14	Sweet Bengal	Viviana Mall, Voltas Compound, Pokhran Road No. 2, Subhash Nagar, Thane (West) - 400 610
15	Sweet Bengal	Unit No.K-02, Third Floor, International Business Park, Oberoi Mall, Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai 400063
16	Sweet Bengal	Shop No. 54, situated on Plot No.73 at Ground Floor of The Welfare Chamber Co-Op Housing Society Ltd., Sector 17, Vashi, Navi Mumbai – 400703.
17	Sweet Bengal	Plot No. 68, Chapel Road, Opp. Mount Carmel’s Church, Bandra West, Mumbai 400 050
18	Sweet Bengal	Unit No. 6 (Food Court) on First Floor, CR-II Mall Building, Nariman Point, Mumbai 400021.
19	Sweet Bengal	Padma Nagar, Link Road Shimpoli Village , CTS no-389/9, Borivali West, Mumbai – 400 092
20	Sweet Bengal	Plot Nos. 17/18, Platinum Techno Park, Sector 30 A, Vashi, Navi Mumbai-400703.
21	Sweet Bengal	Shop No. 4, Sukh Arpan Co-op Hsg. Soct. Ltd., Near Jangid Circle, Mira Bhayander, Mira Road East, Thane 401107
22	Sweet Bengal	Shop No. 1, Ambika Cp-Op Hsg. Soct. Ltd., Mahakali Caves Road, Next to Suzuki Service, Andheri East, Mumbai 400 093.
23	Sweet Bengal	The Crown, Shop No.3, Plot No.15/16, Sector 15, Kharghar Navi Mumbai - 410210
24	Sweet Bengal	Shop No.9, Ram Niwas, Maheshwari Udyan, Matunga East, Mumbai 400019
25	Sweet Bengal	Ground Floor, Southern Court Building, 110, Southern Avenue, Kolkata 700 029
26	Sweet Bengal	1/504, Gariahat Road (South), Jodhpur Park, Kolkata
27	Sweet Bengal	Shop No. 2, Swiss Palace, Room No. 1, Shastri Nagar, Near Lokhandwala Circle, Andheri West, Mumbai 400058
28	Sweet Bengal	Shop No. 6 , Runwal Heights Opp Nirmal Lifestyle, LBS Rd, near Sonapur Signal, Mulund West, Mumbai, Maharashtra 400080
29	Dariole	Ground Floor, Unit No. “C”, 42A, Shakespeare Sarani, Kolkata 700 017.
30	Dariole	Ground Floor (Western Side), 48, Southern Avenue, Kolkata – 700029
31	Dariole	80, Chowringhee Road, Kolkata 700020.

The Company has a Sweet Bengal factory at 108, Bazarward, Khetani Mill Compound, Maganlal Nathu Road, Kurla West, Mumbai.

### 13. Address for correspondence

Shareholder correspondence should be addressed to the Company’s Registrars, Link Intime India Private Limited at C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083 or contact on Tel. No. (91 22) 49186000/ 49186270, Fax No. (91 22) 4918 6060.

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Shareholders may also write to or contact the Company Secretary and Legal Head at the Corporate Office of the Company at the following address for any assistance.

#### Mr. Avinash Kinshikar

Company Secretary & Legal Head

Speciality Restaurants Limited

Morya Landmark I, 4th Floor, B 25,

Veera Industrial Estate, Off New Link Road,

Andheri (West), Mumbai 400 053.

Tel. No. (91 22) 6268 6700

E-Mail: [investor@speciality.co.in](mailto:investor@speciality.co.in) or [avinash@speciality.co.in](mailto:avinash@speciality.co.in)

### 14. List of Credit Ratings obtained by the Company

CRISIL rating on the Long term bank loan facilities of ₹ 60 Crore of the Company is “CRISIL A-/Negative” and for Short-term facility is “CRISIL A2+”.

The rated facility has not been availed and there is no amount outstanding in the books of accounts of the Company.

### 15. Other Disclosures

#### 15.1 Disclosure on materially significant Related Party Transactions

There were no materially significant transactions during the year ended March 31, 2020 with related parties, vis., Promoters, Directors or the Key Managerial Personnel or their relatives or Joint Venture company that had potential conflicts with the interests of the Company at large.

The Audit Committee had granted its approval for all Transactions with related parties which were in the ordinary course of business and on an arm’s length pricing basis. The Audit Committee also granted omnibus approval for certain repetitive transactions with the related parties. The same were reviewed on a quarterly basis by the Audit Committee. Transactions with the related parties as per the requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in Note No. 35 to the Financial Statements.

## 15.2 Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

## 15.3 Vigil Mechanism/Whistle Blower Policy

In terms of the provisions of Section 177 (9) of the Act read with Regulation 22 of the Listing Regulations, the Company has established a vigil mechanism policy for its Directors and Employees to report genuine concerns. The Policy has been disclosed on the website of the company at [www.speciality.co.in](http://www.speciality.co.in). During the year under review no employee was denied access to the Audit Committee.

## 15.4 Compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with the mandatory requirements of corporate governance report specified under Regulation 34(3) read with Para C of Schedule V to the Listing Regulations as disclosed above.

In addition, the Company has also adopted the following non-mandatory/discretionary requirement as per Regulation 27 read with Part E of Schedule II to the Listing Regulations to the extent mentioned below:-

### i. The Board

The Company has not maintained a Separate Chairman's office as Chairman of the Board is also the Managing Director of the Company.

### ii. Shareholder Rights

The quarterly financial results of the Company are published in leading newspapers as mentioned under the heading 'Means of Communication' and also uploaded on the website of the Company [www.speciality.co.in](http://www.speciality.co.in) alongwith the investor presentations. Since the financial results are published in the newspapers having wide circulation, only the annual accounts are sent to each Member.

### iii. Modified opinion(s) in audit report

The Auditors have not issued any modified opinion in audit report on the financial statements of the Company for the financial year ended March 31, 2020.

### iv. Separate post of Chairman and Chief Executive Office

The provision is applicable to top 500 listed companies with effect from April 1, 2020. The Managing Director of the Company is Chairman of the Board.

### v. Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee.

## 15.5 Subsidiary Company

During the year ended March 31, 2020, the Company did not have any material listed/unlisted Subsidiary Company as defined in Regulation 16 of the Listing Regulations. The Company's policy for determining material subsidiaries is placed on the Company's website at the following weblink [http://www.speciality.co.in/pdf/policies/POLICY\\_FOR\\_DETERMINING\\_MATERIAL\\_SUBSIDIARIES](http://www.speciality.co.in/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES). Pdf

## 15.6 Policy on dealing with related party transactions

The Policy for dealing with related party transactions has been displayed on the website of the Company viz., [www.speciality.co.in](http://www.speciality.co.in) under the following web link:- [http://www.speciality.co.in/pdf/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS\\_AND\\_ALSO\\_ON\\_DEALING\\_WITH\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](http://www.speciality.co.in/pdf/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS_AND_ALSO_ON_DEALING_WITH_RELATED_PARTY_TRANSACTIONS.pdf)

## 15.7 Commodity price risks and hedging activities

The disclosure under Clause 9(n) of Part C of Schedule V in terms of the format prescribed vide SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141, dated November 15, 2018, is not applicable.

## 15.8 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations:

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review as specified under Regulation 32 (7A) of the Listing Regulations.

## 15.9 Details of utilization of funds out of the proceeds from the Public Issue

Pursuant to the approval of the Board and the Shareholders received in the year 2012, the Company had undertaken an initial public offering of its equity shares of ₹ 10 each (the "IPO"). The net proceeds from the IPO were ₹ 1760.90 million. The disclosures regarding utilization of net proceeds of the Issue in the Prospectus included the following: (i) development of new restaurants and (ii) development of a food plaza (the "Objects"). Whilst the Company made its best efforts to utilise the proceeds of the Issue, it was unable to utilise approximately ₹ 578.5 million, as of March 31, 2015 (the "Unutilised Amount") towards the Objects.

The Objects of the Issue as disclosed in the Prospectus dated May 22, 2012 issued by the Company for its IPO were varied after obtaining the approval of the Members of the Company through postal ballot on November 27, 2015, for the further period of three (3) years with effect from April 1, 2015.

The Members of the Company vide Special resolution dated March 24, 2018, by way of Postal Ballot approved Variation in terms of the contract or objects of the Issue to utilise the balance proceeds from the IPO in relation to the funds intended for Development of new restaurants/conversion of existing restaurants for the further period of three (3) years with effect from April 1, 2018.

The Initial Public Offer (IPO) proceeds raised as per the Prospectus dated May 22, 2012 have been fully utilized during the year review for the purposes as stated in the Prospectus issued for the IPO.





**15.10 Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors**

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

**15.11 Disclosure in relation to recommendation made by any Committee which was not accepted by the Board**

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

**15.12 Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries**

Total fees paid by the Company and its Subsidiaries on a consolidated basis excluding GST thereon, to the Statutory Auditors viz. M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Audit Fees	19.00
2	Limited Review	4.00
3	Other Services	0.70
	<b>Total</b>	<b>23.70</b>

During the year under review, the Company has paid an amount of ₹ 4.50 Lakhs to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai, previous statutory auditors of the Company, for Limited Review Report for the quarter ended June 30, 2019.

**15.13 Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2019-20**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and No complaint was received by the Internal Complaints Committee during the year under review and pending as at March 31, 2020.

15.14 The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations, disclosed the extent to which the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report.

**16. Code of Conduct**

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board Members and all the employees in the Management cadre of the Company as required under Regulation 17 (5) of the Listing Regulations. All the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct of the Company as on March 31, 2020.

The Board of Directors has also laid down a separate Code for Independent Directors as per the requirements of Schedule IV of the Act. All the Independent Directors have affirmed compliance to the above Code for Independent Directors as on March 31, 2020. The Code of Conduct for Business and the Ethics and the Code for Independent Directors has been disclosed on the Company's website at [www.speciality.co.in](http://www.speciality.co.in). A declaration to this effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

**17. Code for Prevention of Insider Trading**

In compliance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 14, 2015 the Company had formulated and adopted the (i) "Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" and (ii) "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (SRL Code).

Pursuant to Regulation 8(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended by Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has adopted with effect from April 1, 2019, the revised Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "Revised Code"). The Revised Code has been placed on the Company's website at [www.speciality.co.in](http://www.speciality.co.in). The Company Secretary is responsible for implementation of the Code.

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**Declaration as required under Regulation 34(3) read with Part D of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I hereby declare that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct / Business Ethics Policy and Code for Independent Directors, as applicable for Board Members / Senior Management Personnel as adopted by the Company for the Financial Year ended March 31, 2020.

Place: Mumbai  
Date: July 23, 2020

**Anjan Chatterjee**  
**Chairman and Managing Director**  
**(DIN: 00200443)**

## CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR/EXECUTIVE DIRECTOR – FINANCE & CFO

(Issued in accordance with the provisions of Regulation 17(8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors

Speciality Restaurants Limited

- (A) We have reviewed the financial statements and the cash flow statement of Speciality Restaurants Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes, if any, in internal control over financial reporting during the year ended March 31, 2020.
  - (2) Significant changes, if any, in accounting policies made during the year ended March 31, 2020 and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

Anjan Chatterjee

Chairman & Managing Director

(DIN: 00200443)

Rajesh Kumar Mohta

Executive Director – Finance & CFO

Place: Mumbai

Date: July 23, 2020

### CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### TO THE MEMBERS OF SPECIALITY RESTAURANTS LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Speciality Restaurants Limited (the "Company") for the financial year ended on 31<sup>st</sup> March, 2020 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") pursuant to the Listing agreement of the Company with the Stock Exchanges and we have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For GMJ & ASSOCIATES  
Company Secretaries

[CS PRABHAT MAHESHWARI]

PARTNER

M. No. : FCS 2405

COP No.: 1432

UDIN: F002405B000493379

PLACE: MUMBAI

DATE: 23<sup>RD</sup> JULY, 2020



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members,  
**Speciality Restaurants Limited**  
 Uniworth House,  
 3A, Gurusaday Road,  
 Kolkata – 700 019.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Speciality Restaurants Limited** having CIN: L55101WB1999PLC090672 and having registered office at Uniworth House, 3A, Gurusaday Road, Kolkata – 700 019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Ullal Ravindra Bhat	00008425	28/04/2017
2.	Mr. Rakesh Kumar Pandey	00113227	29/11/2017
3.	Mr. Dushyant Rajnikant Mehta	00126977	18/08/2009
4.	Mr. Anjan Snehmoy Chatterjee	00200443	01/12/1999
5.	Mr. Indranil Ananda Chatterjee	00200577	18/08/2005
6.	Mrs. Suchhanda Anjan Chatterjee	00226893	01/12/1999
7.	Mr. Avik Anjan Chatterjee	06452245	03/02/2020
8.	Dr. Anita Bandyopadhyay	08672071	03/02/2020

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

**[CS PRABHAT MAHESHWARI]**  
**PARTNER**  
**M. No. : FCS 2405**  
**COP No.: 1432**  
**UDIN: F002405B000493313**

**PLACE: MUMBAI**  
**DATE: 23<sup>RD</sup> JULY, 2020**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Speciality Restaurants Limited

Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **Speciality Restaurants Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity and for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Emphasis of matter

We draw attention to Note 38 and Note 39 to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management and has recognised i) impairment of assets amounting to Rs. 254.45, ii) impairments of Rights of use asset amounting to Rs. 164.54 Millions, iii) gain on lease modification/ termination amounting to Rs. 145.21 Millions, reflected as "Exceptional Item". 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition - Refer Note 19 of the standalone Ind AS financial statements</b>	
<p>The Company recognizes revenue when the control of goods being sold is transferred to the customer. The Company's revenue relates to restaurant and confectionary sales and services to customers.</p> <p>Due to high level of transaction across various units, situated across India, there exists a risk of misstatement of the timing and amount of revenue recognized to achieve specific performance targets or expectations.</p> <p>The Company also has franchisee arrangements and revenue share arrangements for royalty/ fee based on sales.</p> <p>The Company and its external stakeholders focus on revenue as a key performance indicator, which could lead to recognition of revenue without meeting the revenue recognition criterion.</p>	<p>We have carried out following audit procedure:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standards</li> <li>Evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis</li> <li>Performed substantive testing of sales by selecting samples of sales made at certain restaurants using statistical sampling and tested the underlying documentation including kitchen order tickets</li> <li>Reviewed the reconciliation of revenue recorded for the year with collections through cash, credit card and aggregators, as applicable to confirm that revenue recorded is supported by collections</li> </ul>



Key audit matters	How our audit addressed the key audit matter
<p>In view of the above we have identified revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Perused selected samples of key contracts with aggregators and franchisees to understand the terms and conditions particularly relating to revenue share, royalty &amp; fee payments</li> <li>• Evaluated whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard</li> </ul>
<b>Going Concern (Refer Note 38 of standalone Ind AS Financial Statement)</b>	
<p>The Company operates restaurants mainly in metro cities of India and all restaurants of the Company were non-operational during the COVID-19 Lockdown Phase-I.</p> <p>The Company has assessed the potential impact of COVID-19 on the carrying value of assets, business plan, renegotiation of lease arrangements and future cash flow projections and evaluated various scenario for assessment of Going Concern.</p> <p>This has been considered as Key Audit Matter as there are uncertainties which have been analyzed by the Company, however since the situations are continuously evolving, the impact assessed may be different from the estimates.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of controls instituted by the management to assess going concern assumptions and tested the effectiveness of the management controls</li> <li>• Testing of management’s assumptions on the appropriateness of the going concern assumption and reasonableness of the assumptions used, focusing in particular, the business plans, projections, liquidity management, recoverability and impairment of assets of the Company</li> <li>• Analyzed management’s report to gain an understanding of the inputs and processes supporting the cash flow projections prepared for the purpose of going concern assessment</li> <li>• Assessed the appropriateness of the related disclosures in the notes to financial statements</li> </ul>
<b>Impairment of assets (Exceptional Item) (Refer Note 39 of standalone Ind AS Financial Statement)</b>	
<p>Due to COVID -19, the Company has decided to shut down certain restaurants, terminated lease arrangements and evaluated change of business plans.</p> <p>The Company has carried out impairment testing of its assets and has booked impairment loss of Rs. 418.99 Millions, which has been reflected as “Exceptional Item”, refer note 39.</p> <p>The assessment of the recoverable amount requires significant judgment, in particular, relating to estimated cash flow projections and discount rates. Due to the level of judgments involved, impact of COVID-19 on Hospitality Industry and significance to the Company’s financial position, this is considered to be a key audit matter.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Analyzed the impact of COVID-19 lockdown on the operations of the Company.</li> <li>• Assessed the internal controls designed for identification of impairment indicators.</li> <li>• Reviewed the procedure for identification and testing impairment assessment.</li> <li>• Evaluated the appropriateness of the Company’s judgment regarding identification of assets considered for impairment.</li> <li>• Obtained understanding of the key assumptions considered for assessment of future cash flows and the discounting factor considered.</li> <li>• Assessed the disclosures made in the standalone Ind AS financial statement.</li> </ul>
<b>Ind AS 116 Leases (Refer Note 4b and Note 30 of Standalone Ind AS Financial Statement)</b>	
<p>Ind AS 116 ‘Leases’ is effective for the accounting period commencing 1 April 2019. Ind AS 116 has had a significant impact on the reported assets, liabilities and the income statement of the Company. Impact of the Ind AS 116 transition is reliant upon a number of key estimates, determining the appropriate discount rates and determination of Short-Term Leases or Leases with variable terms, which are not considered.</p> <p>There is a risk that the lease data which is used in the calculation of Ind AS 116 transition calculation is incomplete or inaccurate.</p> <p>The Company has terminated certain Lease arrangement either on completion of lease terms, or unviability of the restaurant due to COVID-19 or otherwise. Reversal of ROU and Lease liability for such leases should be accurate and in compliance with relevant accounting standard.</p> <p>In view of the above, this is considered as a key audit matter.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Assessed the design and implementation of the key controls relating to the determination of the Ind AS 116 transition impact disclosure.</li> <li>• Assessed the discount rates used to calculate the lease obligation.</li> <li>• Assessed the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentations.</li> <li>• Tested the completeness of the lease data by reconciling the Company’s existing lease commitments to the lease data used in the Ind AS 116.</li> <li>• Verification of the data for recognition of lease liability, right of use assets, depreciation and interest.</li> <li>• Evaluated whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard.</li> </ul>

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Company’s Annual report, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the standalone Ind AS Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, the Management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are 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 these standalone Ind AS financial statements.

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 standalone Ind AS financial statements, 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 system 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 Management.
- Conclude on the appropriateness of Management's 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 statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

Due to COVID-19 related lock-down restrictions, management was able to perform year end physical verification of Inventories, subsequent to the year end. Also, we were not able to physically observe the stock verification, where 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 Standalone Ind AS Financial Statement.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow statement and Statement of Changes in Equity and dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with schedule V to the Act .
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 27 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. No amount was required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sukhendra Lodha**

Partner

Membership No:071272

UDIN:20071272AAAABG4313

**Place: Mumbai**

**Date: 23 July, 2020**

## Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 with the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

We report that:

- i. In respect of its property, plant and equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b) As explained to us, the property, plant and equipment have been physically verified by management at reasonable interval under a phase programme of verification and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the registered sale deed in case of free hold land, we report that, title deeds comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of leasehold land, building being constructed thereon and disclosed as right of use assets are in name of the Company.
- ii. As explained to us, the physical verification of inventories has been conducted by the management at reasonable intervals during the year (including the verifications conducted by the Management post year end on account of the lockdown). The discrepancies noticed on physical verification of inventories as compared to books records were not material and have been properly dealt in the books of accounts.
- iii. According to the information and explanations given to us, the Company had granted loans in the earlier years to a Company covered in the register maintained under section 189 of the Companies Act, 2013.
  - At the time of the grant of the loan, the terms and conditions of such loans were, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - Repayment of interest has not been regular. Principal of Rs. 76.73 Million and interest of Rs. 7.34 Million is outstanding for more than 90 days. On account of continuing losses incurred by the borrowing company the entire amount of the loan and interest had been provided as doubtful and charged to the Statement of Profit and Loss.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans and investments made. The Company has not provided any guarantee and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) rules 2014 (as amended).
- vi. Having regards to the nature of the Company’s business/ activities, we are of the opinion that maintenance of cost accounting records has not been prescribed.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
  - a) The Company has been generally regular in depositing amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Investor Education and Protection Fund, Income tax, Custom Duty, cess, Goods & Service Tax and other statutory dues, as applicable, except for some minor delay in case of payment of Tax Deducted at Source.
  - b) No undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues is outstanding as at 31st March 2020, for a period of more than six months from the date they became payable except as mentioned below.

Name of the Statute	Period to which the amount relates	Amount unpaid (Rs In Millions)
Goods and Service Tax Act, 2017	FY 2018-19	1.82

- c) There are no dues of Income tax, sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess, Goods & Service Tax which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount in dispute (Rs In Millions)
Income Tax Act, 1961	Income Tax	2011-12	Commissioner of Income Tax	0.92
Bombay Sales Tax Act, 1959	Sales Tax	1999-00	Sales Tax Appellate Tribunal	0.11
Telangana Value Added Tax Act, 2005	Value Added Tax	2016-18	Additional Commissioner of Sales Tax	0.81





Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending	Amount in dispute (Rs In Millions)
Central Sales Tax Act, 1956	Sales Tax	2008-10	Deputy Commissioner of Sales Tax (Appeal)	6.98
Central Sales Tax Act, 1956	Sales Tax	2011-13	Appellate Tribunal	15.46
Central Sales Tax Act 1956	Sales Tax	2013-16	Joint Commissioner of Sales Tax (Appeal)	26.85
Maharashtra Value Added Tax 2002	Value Added Tax	2008-10	Deputy Commissioner of Sales Tax (Appeal)	1.16
Maharashtra Value Added Tax 2002	Value Added Tax	2011-13	Appellate Tribunal	12.44
Maharashtra Value Added Tax 2002	Value Added Tax	2013-16	Joint Commissioner of Sales Tax (Appeal)	36.19
Andhra Pradesh VAT Act 2005	Value Added Tax	2012-16	Appellate Deputy Commissioner	1.89
Finance Act, 1994	Service Tax	2012-18	Commissioner Service Tax	195.62

- viii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. According to the information and explanations given to us and based on our examination of the records of the Company, the money raised by way of initial public offer in the earlier year and the term loan have been applied by the Company during the year for the purposes for which they were raised or as per the purposes revised with the appropriate authority, other than temporary deployment pending application of proceeds. As on balance sheet date, amount has been utilised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Sukhendra Lodha**  
Partner  
Membership No:071272  
UDIN:20071272AAAABG4313

**Place: Mumbai**  
**Date: 23 July, 2020**

## Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 2(A)(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Jost's Engineering Company Limited ('the Company') as of 31<sup>st</sup> March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with respect to standalone financial statements

#### Meaning of Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements

6. A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with respect to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations' of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with respect to standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singhi & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sukhendra Lodha**

Partner

Membership No:071272

UDIN:20071272AAAABG4313

Place: Mumbai

Date: 23 July, 2020



## Balance Sheet as at 31 March, 2020

₹ In Millions

Particulars	Notes	As at 31 March, 2020	As at 31 March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	4a	545.64	801.35
b. Right of use asset	4b	998.20	-
c. Capital work-in-progress		331.23	349.82
d. Intangible assets	4a	16.61	18.70
e. Financial assets			
i. Investments			
(a) Investment in equity instruments	5	102.36	39.59
(b) Other investments	6	0.20	49.63
ii. Loans	7	204.68	318.00
iii. Other financial assets	8	-	-
f. Other non-current assets	9	264.80	241.81
<b>Total non-current assets</b>		<b>2,463.72</b>	<b>1,818.90</b>
<b>Current assets</b>			
a. Inventories	10	73.76	66.82
b. Financial assets			
i. Other investments	6	614.28	632.11
ii. Trade receivables	11	23.10	53.92
iii. Cash and cash equivalents	12	14.44	83.50
iv. Bank balances other than (iii) above	12	0.82	0.80
v. Loans	7	204.16	34.71
vi. Other financial assets	8	22.77	37.18
c. Other current assets	9	79.02	123.90
<b>Total current assets</b>		<b>1,032.35</b>	<b>1,032.94</b>
<b>Total Assets</b>		<b>3,496.07</b>	<b>2,851.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	13	469.58	469.58
b. Other equity	14	1,191.17	1,751.14
<b>Total equity</b>		<b>1,660.75</b>	<b>2,220.72</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Other financial liabilities	16	1,109.93	109.69
b. Provisions	17	48.90	33.26
<b>Total non-current liabilities</b>		<b>1,158.83</b>	<b>142.95</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		0.21	0.88
- total outstanding dues of creditors other than micro enterprises and small enterprises		339.77	410.43
ii. Other financial liabilities	16	282.64	22.28
b. Other current liabilities	18	53.87	54.58
<b>Total current liabilities</b>		<b>676.49</b>	<b>488.17</b>
<b>Total liabilities</b>		<b>1,835.32</b>	<b>631.12</b>
<b>Total Equity and Liabilities</b>		<b>3,496.07</b>	<b>2,851.84</b>
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached.

**For Singhi & Co**

Chartered Accountants

FRN: 302049E

Sukhendra Lodha

Partner

M No. 071272

Place: Mumbai

Date: 23 July, 2020

**For and on behalf of the Board of Directors**

**Anjan Chatterjee**

Chairman and Managing Director

DIN : 00200443

**Rajesh Kumar Mohta**

Executive Director - Finance

& Chief Financial Officer

**Avinash Kinshikar**

Company Secretary & Legal Head

Place: Mumbai

Date: 23 July, 2020

**Ullal Ravindra Bhat**

Director

DIN : 00008425

**Dushyant Mehta**

Director

DIN : 00126977



## Statement of Profit and Loss for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I Revenue from operations	19	3,577.84	3,463.64
II Other income	20	99.63	94.55
<b>III Total Income (I + II)</b>		<b>3,677.47</b>	<b>3,558.19</b>
<b>IV Expenses</b>			
Cost of materials consumed	21	1,134.84	1,089.09
Employee benefits expense	22	820.22	805.50
Finance costs	23	211.47	0.00
Depreciation and amortisation expense	24	574.85	287.07
Impairment loss on financial assets	25	1.89	37.15
Other expenses	26	1,051.02	1,392.71
<b>Total Expenses</b>		<b>3,794.29</b>	<b>3,611.52</b>
<b>V Loss before exceptional item and tax (III - IV)</b>		<b>(116.82)</b>	<b>(53.33)</b>
VI Exceptional item (Refer note 39)		(273.78)	-
<b>VII Loss before tax (V - VI)</b>		<b>(390.60)</b>	<b>(53.33)</b>
VIII Tax expense	36		
(1) Current tax		-	9.00
(2) Deferred tax		-	-
(3) Short provision for tax relating to prior years		(9.00)	1.11
		<b>(9.00)</b>	<b>10.11</b>
<b>IX Loss for the year (VII - VIII)</b>		<b>(381.60)</b>	<b>(63.44)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan		(6.94)	(4.46)
<b>X Total other comprehensive (loss)/income</b>		<b>(6.94)</b>	<b>(4.46)</b>
<b>XI Total comprehensive loss for the period (IX + X)</b>		<b>(388.54)</b>	<b>(67.90)</b>
Earnings per equity share	29		
(1) Basic (in Rs.)		(8.13)	(1.35)
(2) Diluted (in Rs.)		(8.13)	(1.35)
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached.

**For Singhi & Co**  
Chartered Accountants  
FRN: 302049E

**Sukhendra Lodha**  
Partner  
M No. 071272

Place: Mumbai  
Date: 23 July, 2020

**For and on behalf of the Board of Directors**

<b>Anjan Chatterjee</b> Chairman and Managing Director DIN : 00200443	<b>Ullal Ravindra Bhat</b> Director DIN : 00008425
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<b>Rajesh Kumar Mohta</b> Executive Director - Finance & Chief Financial Officer	<b>Dushyant Mehta</b> Director DIN : 00126977
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**Avinash Kinshikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

## Statement of Changes in Equity for the year ended 31 March, 2020

### A. EQUITY SHARE CAPITAL

₹ In Millions

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2019	13	469.58	-	469.58
As at March 31, 2020		469.58	-	469.58

### B. OTHER EQUITY

₹ In Millions

Particulars	Notes	Capital Reserve	Securities Premium Account	Retained Earnings	Share Options Outstanding Account	Total
<b>As at March 31, 2018</b>	<b>14</b>	<b>1.67</b>	<b>1,626.50</b>	<b>179.96</b>	<b>12.93</b>	<b>1,821.06</b>
Loss for the year		-	-	(63.44)	-	(63.44)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(2.02)	(2.02)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(4.46)	-	(4.46)
Total comprehensive loss for the year		-	-	(67.90)	(2.02)	(69.92)
<b>As at March 31, 2019</b>		<b>1.67</b>	<b>1,626.50</b>	<b>112.06</b>	<b>10.91</b>	<b>1,751.14</b>
Loss for the year		-	-	(381.60)	-	(381.60)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(1.50)	(1.50)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(6.94)	-	(6.94)
On account of Ind AS 116 transition		-	-	(169.93)	-	(169.93)
Total comprehensive loss for the year		-	-	(558.47)	(1.50)	(559.97)
<b>As at March 31, 2020</b>		<b>1.67</b>	<b>1,626.50</b>	<b>(446.41)</b>	<b>9.41</b>	<b>1,191.17</b>
Significant accounting policies	2					
The accompanying notes are an integral part of the financial statements						

In terms of our report attached.

**For Singhi & Co**  
Chartered Accountants  
FRN: 302049E

**Sukhendra Lodha**  
Partner  
M No. 071272

Place: Mumbai  
Date: 23 July, 2020

**For and on behalf of the Board of Directors**

<b>Anjan Chatterjee</b> Chairman and Managing Director DIN : 00200443	<b>Ullal Ravindra Bhat</b> Director DIN : 00008425
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<b>Rajesh Kumar Mohta</b> Executive Director - Finance & Chief Financial Officer	<b>Dushyant Mehta</b> Director DIN : 00126977
--	---

**Avinash Kinshikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

## Statement of Cash Flows for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Cash flow from Operating Activities</b>			
<b>Loss before tax</b>		<b>(390.60)</b>	<b>(53.33)</b>
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment - property, plant and equipment		464.39	287.07
Depreciation and impairment - right of use asset		529.45	-
Gain on sale of property, plant and equipment (net)		(0.22)	(0.24)
(Gain)/loss on disposal of right of use asset		(151.39)	-
Profit on sale of investments (net)		(59.91)	(29.03)
(Gain)/loss on fair value of investments (net)		17.81	(15.41)
Finance costs		211.47	0.00
Interest income from banks/others		(7.22)	(13.83)
Interest on income tax refund		(1.48)	(9.22)
Dividend on current investments		-	(0.02)
Unwinding effect of security deposits		(36.45)	2.25
Sundry balances written off		0.67	0.40
(Income)/expenses recognised in respect of equity-settled shared based payments		-	(2.02)
Lease rent equalisation adjustment		-	0.81
Provision for doubtful debts and advances		1.89	37.15
Payable on account of gratuity (net)		8.69	
Foreign exchange (gain)/loss (net)		-	(0.38)
<b>Operating Profit before working capital changes</b>		<b>587.10</b>	<b>204.20</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>			
Inventories		(6.94)	3.63
Trade receivables		28.93	5.72
Other current financial assets		14.41	13.82
Other non-current financial assets		(155.60)	(41.61)
Other current assets		35.96	(6.32)
Other non-current assets		(1.22)	(14.84)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>			
Trade payables		(72.00)	(12.73)
Other current liabilities		(0.71)	13.43
Other non-current financial liabilities		(4.72)	10.00
Other current financial liabilities		59.13	-
Non - current provision		6.94	-
<b>Cash generated from operations</b>		<b>491.29</b>	<b>175.30</b>
Net income tax (paid)/refund		(8.33)	(8.29)
<b>A. Net cash generated from Operating Activities (A)</b>		<b>482.96</b>	<b>167.01</b>
<b>B. Cash flow from Investing Activities</b>			
Capital expenditure on property, plant and equipment		(194.95)	(148.09)
Proceeds from sale of property, plant and equipment		2.77	2.71
Investment in subsidiary company		(62.78)	(39.59)
Investment in commercial paper		(0.71)	(49.44)
Investment in mutual funds		(625.40)	(1,257.77)
Proceeds from sale of current investments		735.47	1,342.07
Current loans		(169.45)	1.71
Non-current loans		113.32	(0.87)
Interest received		7.22	13.83
Dividend received		-	0.02
Bank deposits placed		(0.02)	(0.02)
<b>B. Net cash used in Investing Activities (B)</b>		<b>(194.53)</b>	<b>(135.44)</b>



## Statement of Cash Flows for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>C. Cash flow from Financing Activities</b>			
Repayment of long-term borrowings		-	(0.26)
Payment of Lease liability		(357.49)	-
Finance costs		-	(0.00)
<b>C. Net cash used in Financing Activities (C)</b>		<b>(357.49)</b>	<b>(0.26)</b>
<b>Net increase in cash and cash equivalents (A+B+C) = (D)</b>		<b>(69.06)</b>	<b>31.31</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>		<b>83.50</b>	<b>52.19</b>
<b>Cash and cash equivalents at the end of the year (D) +(E)</b>		<b>14.44</b>	<b>83.50</b>
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

### 1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2019	Cash Flows	Non-cash changes	As at March 31, 2020
Borrowings			<b>Fair value changes</b>	
	-	-	-	-
			<b>Fair value changes</b>	
	0.26	(0.26)	-	-

In terms of our report attached.

**For and on behalf of the Board of Directors**

**For Singhi & Co**  
Chartered Accountants  
FRN: 302049E

**Anjan Chatterjee**  
Chairman and Managing Director  
DIN : 00200443

**Ullal Ravindra Bhat**  
Director  
DIN : 00008425

**Sukhendra Lodha**  
Partner  
M No. 071272

**Rajesh Kumar Mohta**  
Executive Director - Finance  
& Chief Financial Officer

**Dushyant Mehta**  
Director  
DIN : 00126977

**Avinash Kinhikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

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## NOTES TO THE FINANCIAL STATEMENTS

### 1 COMPANY BACKGROUND

Speciality Restaurants Limited ("The Company") is a Public Limited Company incorporated in India. The Company was incorporated on 1 December, 1999. The Company is primarily engaged in the business of operating restaurant outlets / sweet shops.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### b) Property, plant and equipment

All items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The carrying values of Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of Property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, cost of replacing part of the Property, plant and equipment.

Freehold land has an unlimited useful life and therefore it is not depreciated.

Leasehold land is amortised over the duration of the lease.

Leasehold improvements are depreciated over the lower of the lease period and the management's estimate of the useful life of the Asset. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided as per Written Down Value (WDV) Method for all classes of assets except leasehold improvements wherein Straight Line Method (SLM) has been followed. The estimated useful life which is in line with Schedule II to the Act is set out herein below.

Asset	Useful life
Computers	3 - 6 years
Plant and Equipment	5 - 15 years
Vehicles	8 - 10 years

The Company has assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



**c) Intangible assets**

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Company capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over the management's estimate of its useful life of five years.

Patents and Trademarks are amortised uniformly over a period of five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit or Loss when the asset is derecognised.

**d) Capital work-in-progress:**

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost.

**e) Impairment of assets:**

An asset is considered as impaired in accordance with Ind AS 36 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in Statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

**f) Revenue Recognition:**

Revenue is recognised when the Company transfers control of the promised services to the customer. The Company measures revenue, for the consideration to which the Company is expected to be entitled in exchange for transferring promised services.

Revenue from restaurant and sweet shop sales (food and beverages) is recognised upon rendering of service. Sales are net of discounts and indirect taxes.

Royalty and management fee charged to franchisees for use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with franchisee sales.

**g) Other income:**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**h) Inventories:**

Inventories are measured at the lower of cost and net realizable value.

Cost of materials is determined by the first-in-first-out (FIFO) method. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

**i) Employee Benefits:**

Compensation to employees for services rendered is measured and accounted for in accordance with Ind AS 19 on Employee Benefits.

**Defined Contribution Plans:**

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to Statement of Profit & Loss in the period in which the service is rendered.

**Defined Benefit Plans:**

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit or Loss. Past service cost is recognised in Profit or Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans.

**j) Foreign currency transactions:**

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions are as under:

**Initial recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.

**Measurement at the balance sheet date**

Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are translated at the rates prevailing on the reporting date.

Non monetary items measured at historical cost/fair value, are translated using the exchange rate prevailing on the date of transaction/fair value measurement respectively.

**Treatment of exchange differences**

Exchange differences arising on transactions / translation of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

**k) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statement of Profit or Loss in the period in which they are incurred.

**l) Taxation:**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit or Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or subsequently enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realized in future; however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred Tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

**m) Earnings Per Share:**

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**n) Leases:**

Ind AS 116 was implemented with effect from 1 April, 2019 using the modified retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as Lessee:**

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are recognised as expense in the periods in which they are incurred. The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurement is adjusted to the value of the ROU assets.

**Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

**o) Cash Flow Statement:**

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents the cash flows from operating, investing and financing activities of the Company.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered bank balances.

**p) Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

In the normal course of business, contingent liabilities may arise from litigations and other claims against the company. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

A contingent asset is neither recognised nor disclosed in the financial statements.

**q) Employee share based payments:**

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of Equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Equity settled employee benefits reserve.

**r) Financial instruments:**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit or Loss.

#### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

#### **Classification of financial assets:**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### **Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognised in Statement of Profit or Loss and is included in the "Other income" line item.

#### **Financial assets at FVTPL:**

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit or Loss. The net gain or loss recognised in Statement of Profit or Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Investment in Joint venture and subsidiaries:**

Investment in joint venture and subsidiaries is carried at cost in the financial statements.

#### **Impairment of financial assets:**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

#### **Financial liabilities and equity instruments**

#### **Classification as debt or equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial instruments:**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable is recognised in the Statement of Profit and Loss.

## **3 Significant accounting judgments, estimates and assumptions:**

In application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **3.1 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **3.1.1 Useful lives of property, plant and equipment:**

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2020 and 2019, there were no changes in useful lives of property plant and equipment and intangible assets.

#### **3.1.2 Impairment of property, plant and equipment:**

The Company at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a restaurant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

#### **3.1.3 Impairment of trade receivables:**

The Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

#### **3.1.4 Defined benefit plans:**

The cost and present obligation of Defined Benefit Gratuity Plan are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are made at each reporting date.

#### **3.1.5 Fair Value measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility, etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

#### **3.1.6 Deferred tax asset:**

The Company reviews the carrying value of deferred tax asset (DTA) at the end of each reporting period. The Company has not recognised deferred tax assets arising from the carry forward of unused tax losses and tax credits since the Company does not have sufficient taxable temporary differences as well as convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company.

#### **3.1.7 Contingencies:**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

**Note 4a**

**Property, plant and equipment (PPE) and Intangible assets**

Particulars	₹ In Millions	
	As at 31 March, 2020	As at 31 March, 2019
<b>Carrying amounts of:</b>		
Freehold Land	26.65	26.65
Leasehold Land (Refer note 2)	-	66.24
Leasehold Improvements	170.38	349.10
Plant and Equipment	172.02	188.30
Furniture and Fixtures	160.76	156.54
Computers	5.12	5.17
Vehicles (owned)	10.70	9.35
Vehicles (taken under finance lease)	-	-
<b>Total property, plant and equipment (PPE)</b>	<b>545.64</b>	<b>801.35</b>
Software	3.40	4.64
Trademark	13.21	14.06
<b>Total intangible assets</b>	<b>16.61</b>	<b>18.70</b>

₹ In Millions

Particulars	Freehold Land	Leasehold land (Refer note 2 below)	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total Property, Plant and Equipment (PPE)	Software	Trademark	Total Intangible Assets
<b>Cost or Deemed Cost</b>												
Balance at 31 March, 2018	26.65	67.60	713.24	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Additions	-	-	34.39	24.44	23.91	2.66	1.55	-	86.95	2.31	9.82	12.13
Disposals	-	-	-	(1.27)	(0.21)	-	(1.70)	(2.19)	(5.37)	-	-	-
Balance at 31 March, 2019	26.65	67.60	747.63	380.58	328.35	15.95	22.19	-	1,588.95	12.76	30.30	43.06
Additions	-	-	120.16	58.22	80.41	3.72	7.53	-	270.04	0.53	4.38	4.91
Reclassification on account of adoption of Ind AS 116	-	(67.60)	-	-	-	-	-	-	(67.60)	-	-	-
Disposals	-	-	(1.61)	(3.55)	(1.05)	(0.01)	(0.82)	-	(7.04)	-	-	-
Balance at 31 March, 2020	26.65	-	866.18	435.25	407.71	19.66	28.90	-	1,784.35	13.29	34.68	47.97
<b>Accumulated depreciation / amortisation and impairment</b>												
Balance at 31 March, 2018	-	(0.92)	(250.86)	(116.94)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Eliminated on disposal of assets	-	-	-	0.52	0.08	-	0.98	1.32	2.90	-	-	-
Depreciation expenses (Refer note 1 below)	-	(0.44)	(147.67)	(75.86)	(47.83)	(2.97)	(4.46)	(0.17)	(279.40)	(2.05)	(5.62)	(7.67)
Balance at 31 March, 2019	-	(1.36)	(398.53)	(192.28)	(171.81)	(10.78)	(12.84)	-	(787.60)	(8.12)	(16.24)	(24.36)
Eliminated on disposal of assets	-	-	1.29	1.92	0.68	-	0.59	-	4.48	-	-	-
Reclassification on account of adoption of Ind AS 116	-	1.36	-	-	-	-	-	-	1.36	-	-	-
Depreciation expenses (Refer note 1 below)	-	-	(298.56)	(72.87)	(75.81)	(3.76)	(5.95)	-	(456.95)	(1.77)	(5.23)	(7.00)
Balance at 31 March, 2020	-	-	(695.80)	(263.23)	(246.94)	(14.54)	(18.20)	-	(1,238.71)	(9.89)	(21.47)	(31.36)
<b>Carrying amount</b>												
Balance at 31 March, 2019	26.65	66.24	349.10	188.30	156.54	5.17	9.35	-	801.35	4.64	14.06	18.70
Balance at 31 March, 2020	26.65	-	170.38	172.02	160.77	5.12	10.70	-	545.64	3.40	13.21	16.61

**Notes:**

1. Depreciation for the year includes impairment charge aggregating Rs. 254.45 Million (Previous Year - Rs. 52.51 Million), current year impairment of Rs. 254.45 Million has been shown as exceptional item.
2. Land represents the amount where the entity is a lessee under finance lease.



**Note 4b Right of use asset (Refer note 30)**

Particulars	Land (refer note 4a)	Building	Total
<b>Cost:</b>			
Initial Recognition	-	1,222.81	1,222.81
Reclassification on account of adoption of Ind AS 116	67.60	-	67.60
Additions	-	908.65	908.65
Disposals/Transfers	-	(804.23)	(804.23)
<b>As at 31st March 2020</b>	<b>67.60</b>	<b>1,327.23</b>	<b>1,394.83</b>
<b>Accumulated Amortisation:</b>			
Reclassification on account of adoption of Ind AS 116	1.36	-	1.36
Additions	0.44	529.45	529.89
Disposals/Transfers	-	(134.62)	(134.62)
<b>As at 31st March 2020</b>	<b>1.80</b>	<b>394.83</b>	<b>396.63</b>
Net Book Value			
<b>As at 31st March 2020</b>	<b>65.80</b>	<b>932.40</b>	<b>998.20</b>

**Notes:**

- Depreciation for the year includes impairment charge aggregating Rs. 164.54 Million (Previous Year - Rs. Nil), current year impairment of Rs. 164.54 Million has been shown as exceptional item.

**Note 5 Investments**

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Qty.	Amount	Qty.	Amount
<b>Non-Current</b>				
<b>Unquoted investment carried at cost</b>				
a) Investment in Equity instruments				
- Investment in joint venture (Mainland China Restaurant (LLC)) of QAR 1,000 each	490	8.88	490	8.88
Less: Impaired		(8.88)		(8.88)
- Investment in wholly owned subsidiary (Speciality Hospitality UK Limited) of GBP 1 each	10,33,500	95.05	4,25,500	39.59
- Investment in wholly owned subsidiary (Speciality Hospitality US, Inc.) of USD 1 each	1,00,000	7.31	-	-
<b>Total Investments</b>	<b>11,33,990</b>	<b>102.36</b>	<b>4,25,990</b>	<b>39.59</b>
Aggregate Carrying Value of unquoted investment at cost		102.36		39.59
Aggregate amount of impairment in value of investment in joint venture		8.88		8.88

**Note 6 Other investments**

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Units	Amount	Units	Amount
<b>Non-Current</b>				
<b>Unquoted</b>				
a) Investment in Government or Trust Securities (at cost) (NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	0.20	-	0.19
b) Investment in corporate bonds (at FVTPL)	-	-	50	49.44
<b>Total non-current investments</b>	<b>-</b>	<b>0.20</b>	<b>50</b>	<b>49.63</b>
Aggregate Carrying Value of unquoted investments at cost		0.20		0.19
Aggregate Carrying Value of unquoted investments at FVTPL		-		49.63



Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Units	Amount	Units	Amount
<b>Current Unquoted</b>				
a) Investment in Mutual Funds (at FVTPL)				
- Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	-	-	2,67,996	99.63
- ICICI Equity Arbitrage Fund - Direct Growth	-	-	43,65,468	110.22
- Kotak Equity Arbitrage Fund - Direct Plan Growth	-	-	43,36,672	117.97
- Reliance Arbitrage Advantage Fund - Growth Plan	-	-	23,62,166	44.73
- SBI Magnum Ultra Sdf - Direct Plan - Growth	14,771	66.17	-	-
- SBI Saving Fund-Regular Plan -Growth	16,17,893	50.15	-	-
- SBI Liquid Fund Regular - Growth	3,278	10.14	-	-
- SBI Liquid Fund Direct Growth	1,320	4.10	56	0.16
- SBI Overnight Fund- Direct Plan - Growth	510	1.66	510	1.58
- SBI Saving Fund-Direct Plan -Growth	1,22,69,724	397.13	42,81,149	128.65
- HDFC Ultra Short Term Fund - Regular Growth	31,04,345	34.79	1,23,52,108	129.17
b) Investment in PFCL corporate bonds (at FVTPL)	50	50.14	-	-
<b>Total current investments</b>	<b>1,70,11,891</b>	<b>614.28</b>	<b>2,79,66,125</b>	<b>632.11</b>
Aggregate Carrying Value of unquoted investments (at FVTPL)		614.28		632.11

#### Note 7 Loans

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current (unsecured)</b>		
a) Loans to related party		
Credit impaired	76.73	76.73
Less: Allowance for doubtful loans	(76.73)	(76.73)
	-	-
b) Loans to employees	14.39	13.83
c) Security and other deposits	190.29	304.17
Credit impaired	-	4.85
Less: Allowance for doubtful receivables	-	(4.85)
	190.29	304.17
<b>Total</b>	<b>204.68</b>	<b>318.00</b>
<b>Current (unsecured)</b>		
a) Loans to employees	6.35	4.44
b) Security and other deposits		
Considered good	197.81	30.27
Credit impaired	2.00	-
Less: Allowance for doubtful receivables	(2.00)	-
	197.81	30.27
<b>Total</b>	<b>204.16</b>	<b>34.71</b>

#### Note 8 Other financial assets (unsecured)

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Others		
- Reimbursement of expenses		
Considered good	48.85	47.73
Credit impaired		
Less: Allowance for doubtful receivables	(48.85)	(47.73)
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
a) Other recoverables		
Considered good	9.25	9.41
b) Reimbursement of expenses		
Considered good	13.52	27.77
<b>Total</b>	<b>22.77</b>	<b>37.18</b>





**Note 9 Other assets (unsecured, considered good unless otherwise stated)**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Capital advances	41.80	19.33
b) Advances to suppliers and others		
Credit impaired	3.57	3.57
Less: Allowance for doubtful receivables	(3.57)	(3.57)
	-	-
c) Others		
- Prepaid expenses and others	5.47	2.01
Credit impaired	13.10	13.10
Less: Allowance for doubtful receivables	(13.10)	(13.10)
	5.47	2.01
d) Advances to related party		
Credit impaired	7.34	7.34
Less: Allowance for doubtful receivables	(7.34)	(7.34)
	-	-
e) Deferred rent	81.57	92.08
f) Balances with government authorities	64.37	66.61
g) Advance income tax (net of provision - Rs. 270.53 million) (As at 31 March, 2019 - Rs. 279.53 million)	71.59	61.78
<b>Total</b>	<b>264.80</b>	<b>241.81</b>
<b>Current</b>		
a) Advances to suppliers and others	29.08	25.72
b) Others		
- Prepaid expenses and others		
Considered good	22.88	63.84
c) Deferred Rent	23.13	32.04
d) Balances with government authorities	3.93	2.30
<b>Total</b>	<b>79.02</b>	<b>123.90</b>

**Note 10 Inventories**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Inventories (lower of cost and net realisable value)</b>		
- Food and beverage items	69.59	60.91
- Others	3.05	5.21
- Stock in transit	1.12	0.70
<b>Total</b>	<b>73.76</b>	<b>66.82</b>

The mode of valuation of inventories has been stated in note 2(i)

**Note 11 Trade Receivables**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
(Unsecured)		
a) Trade receivables		
Considered good	23.10	53.92
Credit impaired	57.64	61.08
	80.75	115.00
Less: Allowance for credit impaired	(57.64)	(61.08)
<b>Total</b>	<b>23.10</b>	<b>53.92</b>



**Note 12 Cash and Cash Equivalents and other bank balances**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>a) Balances with Banks</b>		
i) In current accounts	6.87	31.70
ii) In fixed deposits accounts	5.04	43.68
<b>b) Cash on hand</b>	2.53	8.12
<b>Cash and cash equivalents</b>	<b>14.44</b>	<b>83.50</b>
<b>Bank balances other than above</b>		
<b>a) In earmarked accounts</b>		
i) Unpaid dividend accounts	0.13	0.13
b) Fixed deposits under lien	0.69	0.67
<b>Total</b>	<b>0.82</b>	<b>0.80</b>

**Note 13 Equity share capital**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Authorised Share Capital</b>		
<b>13.1 Equity share capital</b>		
5,10,00,000 fully paid equity shares of Rs. 10 each	510.00	510.00
<b>Preference share capital</b>		
70,00,000 fully paid compulsorily convertible preference shares of Rs. 10 each	70.00	70.00
<b>13.2 Issued, subscribed capital and fully paid up:</b>		
4,69,57,657 fully paid equity shares of Rs. 10 each (Of the above shares 66,89,118 (Previous year - 66,89,118) equity shares are allotted as fully paid-up on conversion of compulsorily convertible preference shares)	469.58	469.58
<b>Total</b>	<b>469.58</b>	<b>469.58</b>

**13.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Number of shares outstanding as at the beginning and at the end of the year	4,69,57,657	4,69,57,657

**13.4 Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**13.5 Shares reserved for issue under options (Refer note 32)**

Particulars	As at 31 March, 2020	As at March 31, 2019
Number of shares outstanding as at the end of the year	92,350	1,88,400

**13.6 Details of shares held by each shareholder holding more than 5% shares in the company are set out below**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Anjan Chatterjee	1,20,70,000	25.70%	1,20,70,000	25.70%
Suchhanda Chatterjee	1,19,70,000	25.49%	1,19,70,000	25.49%
Deepak Bhagnani	27,81,334	5.92%	42,08,496	8.96%



**Note 14 Other equity**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Capital reserve	1.67	1.67
b) Securities premium reserve	1,626.50	1,626.50
c) Share options outstanding account	9.41	10.91
d) Retained earnings	(446.41)	112.06
<b>Total</b>	<b>1,191.17</b>	<b>1,751.14</b>

**14.1 Capital Reserve**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
<b>Balance at end of the year</b>	<b>1.67</b>	<b>1.67</b>

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

**14.2 Securities premium reserve**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
<b>Balance at end of the year</b>	<b>1,626.50</b>	<b>1,626.50</b>

Securities premium reserve is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013.

**14.3 ESOP outstanding account**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Balance at the beginning of year	10.91	12.93
(Income)/expenses recognised in respect of equity-settled shared based payments	(1.50)	(2.02)
<b>Balance at end of the year</b>	<b>9.41</b>	<b>10.91</b>

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share based payments to employees is set out in note 32.

**14.4 Retained earnings**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Balance at the beginning of year	112.06	179.96
Loss as per Statement of Profit and Loss	(381.60)	(63.44)
On account of Ind AS 116 transition	(169.93)	-
Other comprehensive income for the year	(6.94)	(4.46)
<b>Balance at end of the year</b>	<b>(446.41)</b>	<b>112.06</b>

**Note 15 Trade payables**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Trade payables	339.98	411.31
<b>Total</b>	<b>339.98</b>	<b>411.31</b>

### 15.1 Total outstanding dues of micro enterprises and small enterprises

Disclosures relating to amounts payable as at the year-end together with interest paid/payable to Micro and Small Enterprise have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.21	0.88
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>0.21</b>	<b>0.88</b>

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

### Note 16 Other financial liabilities

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Rent payable	-	86.59
b) Lease liability on right of use asset	1,091.55	-
c) Security deposit received	18.38	23.10
<b>Total</b>	<b>1,109.93</b>	<b>109.69</b>
<b>Current</b>		
a) Unpaid dividends	0.13	0.13
b) Other payables		
- Unwinding effect of deposit received	5.57	-
- Payables for purchase of property, plant and equipment	36.79	19.31
- Salary payable	53.56	-
- Rent payable	-	2.84
- Lease liability on right of use asset	186.59	-
<b>Total</b>	<b>282.64</b>	<b>22.28</b>

### Note 17 Long Term Provision

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Payable on account of gratuity (net)	48.90	33.26
<b>Total</b>	<b>48.90</b>	<b>33.26</b>



**Note 18 Other current liabilities**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Advances received from customers	16.23	17.15
b) Others		
- Statutory remittances	37.04	37.43
- Book Overdraft	0.60	-
<b>Total</b>	<b>53.87</b>	<b>54.58</b>

**Note 19 Revenue from operations**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Sale of services</b>		
a) Income from sale of food and beverages	3,523.57	3,397.82
b) Royalty and management fees from franchisees	40.80	40.22
c) Others	13.47	25.60
<b>Total</b>	<b>3,577.84</b>	<b>3,463.64</b>

**Note 20 Other Income**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) <b>Interest Income</b>		
- Bank deposits (at amortised cost)	0.84	1.16
- Other financial assets carried at amortised cost	6.38	12.67
- Other financial assets carried at FVTPL	-	1.93
- Interest of security deposits given measured at amortised cost	38.36	33.26
	<b>45.58</b>	<b>49.02</b>
b) <b>Dividend income</b>		
- Dividend on mutual funds	-	0.02
	-	<b>0.02</b>
c) <b>Other gains and losses</b>		
- Gain on sale of property, plant and equipment (net)	0.22	0.24
- Gain on lease modification / termination	6.18	-
- Gain on sale of current investments (net)	59.91	29.03
- Gain/ (loss) arising on remeasurement of financial assets designated as at FVTPL (net)	(17.81)	15.41
	<b>48.50</b>	<b>44.68</b>
d) <b>Miscellaneous income</b>		
- Miscellaneous income	5.55	0.83
	<b>5.55</b>	<b>0.83</b>
<b>Total</b>	<b>99.63</b>	<b>94.55</b>

**Note 21 Cost of materials consumed**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Food &amp; Beverages</b>		
Opening stock	61.61	66.02
Add: Purchases	1,143.93	1,084.68
	1,205.54	1,150.70
Less: Closing stock	(70.70)	(61.61)
<b>Total</b>	<b>1,134.84</b>	<b>1,089.09</b>

**Note 22 Employee benefits expense**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Salaries and wages	702.34	692.58
b) Contribution to provident and other funds (Refer note 31)	61.79	59.17
c) (Income)/expenses recognised in respect of equity-settled shared based payments (Refer note 32)	(1.50)	(2.02)
d) Staff welfare expenses	57.59	55.77
<b>Total</b>	<b>820.22</b>	<b>805.50</b>

**Note 23 Finance costs**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Interest costs</b>		
a) Interest on obligations under finance leases	-	0.00
b) Unwinding effect of deposit received - Interest	2.05	-
c) Interest on lease liability	209.42	-
<b>Total</b>	<b>211.47</b>	<b>0.00</b>

**Note 24 Depreciation and amortisation expense**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Depreciation of property, plant and equipment (Refer note 4a)	202.50	279.40
b) Amortisation of intangible assets (Refer note 4a)	7.00	7.67
c) Depreciation - right of use asset (Refer note 4b)	365.35	-
<b>Total</b>	<b>574.85</b>	<b>287.07</b>

**Note 25 Impairment losses on financial assets and reversal of impairment on financial assets**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Impairment loss allowance on trade receivables	-	4.30
b) Impairment loss allowance on other financial assets carried at amortised cost	1.89	32.85
<b>Total</b>	<b>1.89</b>	<b>37.15</b>

**Note 26 Other expenses**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Rent (Refer note 30)	120.61	633.54
b) Power and fuel	203.76	200.41
c) Rates, taxes and licence Fee	167.88	70.56
d) Operating supplies	94.36	80.01
e) Insurance	4.72	3.95
f) Advertising and marketing expenses (net of recoveries)	112.16	68.70
g) Payment to Auditors (Refer note 26.1 below)	3.32	5.18
h) Repairs and maintenance - Machinery	37.82	37.03
i) Repairs and maintenance - Building	124.22	113.45
j) Repairs and maintenance - Others	21.39	30.93
k) Miscellaneous expenses	160.78	148.95
<b>Total</b>	<b>1,051.02</b>	<b>1,392.71</b>



**26.1 Payments to auditors**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
- As auditor - statutory audit	2.89	3.75
- For tax audit	0.35	0.40
- For other services	0.08	0.92
- For reimbursement of expenses	-	0.11
<b>Total</b>	<b>3.32</b>	<b>5.18</b>

**Note 27 Contingent liabilities (to the extent not provided for)**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Claims against the Company not confirmed as debts</b>		
a. Legal cases against the Company	166.16	166.16
b. Sales tax demands	122.69	121.88
c. Income tax demands	0.92	0.92
d. Service tax demands	201.53	201.53
<b>Total</b>	<b>491.30</b>	<b>490.49</b>

**Note 28 Commitments**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	136.16	88.93
b) Investment in Speciality Hospitality UK Limited (Subsidiary)	-	27.17
c) Investment in Speciality Hospitality US, INC. (Subsidiary)	30.53	-
<b>Total</b>	<b>166.69</b>	<b>116.10</b>

**Note 29 Earnings per share (EPS)**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(381.60)	(63.44)
Weighted Average Number of Equity Shares for Basic Earnings per share	4,69,57,657	4,69,57,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	4,69,57,657	4,69,57,657
Basic Earnings Per Share (in Rs.)	(8.13)	(1.35)
Diluted Earnings Per Share (in Rs.)	(8.13)	(1.35)
Nominal value per share (in Rs.)	10	10

**Note 30 Leases****Company as Lessee**

The Company has entered into certain arrangements in the form of leases for its retail business. As per terms, the Company's obligation could be fixed or purely variable or variable with minimum guarantee payment for use of property.

During the year the Company has paid fixed lease rent of Rs. 501.27 Millions which has been considered in the calculation of lease liabilities and right of use assets as per Ind AS 116. In addition to fixed rent the Company has paid variable lease rentals (primarily w.r.t properties), relating to lease of low value assets & certain services which are short term in nature amounting to Rs. 120.61 Millions (including Rs. 31.77 Millions of rent on unwinding of deposits) which has not been considered in calculation right of use asset and lease liabilities under Ind AS 116.

**Note on Adoption of Ind AS 116 Leases**

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as part of our Annual Report for year ended March 31, 2019.



On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 1,222.81 Million and a lease liability of Rs. 1,482.19 million. The cumulative effect of applying the standard, amounting to Rs. 169.93 Million (net of Rs. 89.42 Millions towards rent equalisation reserve) was debited to retained earnings.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 33 of the Standalone financial statements forming part of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11%.

**Impact on Profit and Loss Statement :** In the Statement of Profit & Loss, the nature of expense for operating leases has changed from lease rent in the previous year to depreciation cost for the ROU assets and finance cost for interest accrued on lease liabilities. The net effect of Ind AS 116 on the standalone profit before tax for year is an adverse impact rent of of Rs. 120.61 Millions (including Rs. 31.77 Millions of rent on unwinding of deposits) towards premises having variable rent or revenue share, interest impact of Rs. 209.42 Millions and depreciation on right of use assets of Rs. 365.35 Millions.

**Impact on the Cash flow statement:** Instead of fixed operating lease expenses Rs. 501.27 Millions payment of lease liability including interest of Rs. 357.49 Millions has been shown as financing activity. Consequently, cash flow from operating activities and financing activities have shown significant impacted by this revised approach required by the Standard.

**Impact on Financial ratios:** Interest on lease liabilities is included in finance cost and lease liabilities is included in borrowings. Consequently, financial ratios like debt equity ratio, interest coverage ratio, debt services coverage ratio etc. have been significantly impacted following the adoption of Ind AS 116.

### Note 31 Employee benefit plans

#### 31.1 Defined contribution plans:

The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contribution. The total expense recognised in the Statement of Profit and Loss represents contributions payable to these plans by the company at rates specified in the rules of the plans.

The Company has recognised the following amounts as expense in the Statement of Profit and Loss:

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Contribution to provident fund	34.93	30.74
Contribution to employees' state insurance corporation	14.78	18.17
Contribution to labour welfare fund	0.15	0.14
<b>Total</b>	<b>49.86</b>	<b>49.05</b>

#### 31.2 Defined benefit plans:

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death, disability or voluntary withdrawal. Under the scheme, the employees are entitled to a lump sum amount aggregating to 15 days final basic salary for each year of completed service payable at the time of retirement/resignation, provided the employee has completed 5 years of continuous service. The defined benefit plan is administered by a third-party insurer. The third-party insurer is responsible for the investment policy with regards to the assets of the plan.

#### 31.3 The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk:	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net benefit obligation will increase the value of the liability.
Interest rate risk:	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability.
Salary Inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary in higher proportion of the plan participants will increase the plan's liability.





**31.4 The disclosure as required under Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:**

**(a) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Discount rate(s)	6.40%	7.15%
Expected rate(s) of salary increase	4.50%	4.50%

**Discount Rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary Escalation Rate**

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**(b) Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows.**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current service cost	10.74	9.36
Past service cost	-	-
Interest on net defined benefit liability / (asset)	1.19	0.75
<b>Components of defined benefit costs recognised in Statement of Profit or Loss</b>	<b>11.93</b>	<b>10.11</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.97	1.34
Actuarial gain arising from changes in demographic assumptions	-	(0.03)
Actuarial losses/(gains) arising from changes in financial assumptions	4.09	2.06
Actuarial losses/(gains) arising from experience adjustments	0.89	1.09
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>6.95</b>	<b>4.46</b>
<b>Total</b>	<b>18.88</b>	<b>14.57</b>

The current service cost / past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**(c) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Present value of funded defined benefit obligation	68.93	59.74
Fair value of plan assets	20.03	26.48
<b>Net liability arising from defined benefit obligation</b>	<b>48.90</b>	<b>33.26</b>

**(d) Movements in the present value of the defined benefit obligation are as follows.**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening defined benefit obligation	59.74	52.25
Current service cost	10.74	9.36
Past service cost	-	-
Interest cost	3.91	3.59
Remeasurement due to:-		
Actuarial gain arising from changes in demographic assumptions	-	(0.03)
Actuarial losses/(gains) arising from changes in financial assumptions	4.08	2.06
Actuarial losses/(gains) arising from experience adjustments	0.89	1.09
Benefits paid	(10.43)	(8.58)
<b>Closing defined benefit obligation</b>	<b>68.93</b>	<b>59.74</b>

(e) Movements in the fair value of the plan assets are as follows.

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening fair value of plan assets	26.48	32.45
Interest income	2.72	2.83
Remeasurement due to:-		
Return on plan assets (excluding amounts included in net interest expense)	(1.97)	(1.34)
Contributions from the employer	3.23	1.12
Benefits paid	(10.43)	(8.58)
<b>Closing fair value of plan assets</b>	<b>20.03</b>	<b>26.48</b>

(f) Breakup of Plan Assets

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Insurer Managed Funds (unquoted)	100%	100%

The Company expects to make a contribution of Rs. 48.90 Million (as at 31 March, 2019: Rs. 33.26 Million) to the defined benefit plans during the next financial year.

(g) Sensitivity Analysis

**Method used for sensitivity analysis:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are the discount rate and the future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

**Discount Rate**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Discount Rate</b>		
Impact of increase in 50 bps on defined benefit obligation	(4.03)	(2.29)
Impact of decrease in 50 bps on defined benefit obligation	4.35	2.46

**Salary escalation rate**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Salary escalation rate</b>		
Impact of increase in 50 bps on defined benefit obligation	4.41	2.51
Impact of decrease in 50 bps on defined benefit obligation	(4.12)	(2.35)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis.

**Note 32 Employee Stock Option Scheme (ESOS)**

**32.1** During the FY 2013-14, the Board Governance & Remuneration committee in its meeting held on 6 September, 2013 granted 577,200 stock options under the Speciality Restaurants Limited - Employee Stock Option Scheme 2012 (ESOP 2012 Scheme) to a few eligible employees of the Company. The options allotted under the ESOP 2012 scheme are convertible into equal number of equity shares of the face value of Rs. 10 each.

Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of Rs. 10 each upon payment of the exercise price during the exercise period. The option would vest in 4 annual instalments after one year of the grant. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the ESOP 2012 Scheme.

**The vesting period for conversion of Options is as follows:**

On completion of 12 months from the date of grant of option	25% vests
On completion of 24 months from the date of grant of option	25% vests
On completion of 36 months from the date of grant of option	25% vests
On completion of 48 months from the date of grant of option	25% vests

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

There were no modifications to the awards during the year ended 31 March, 2020 and 31 March, 2019. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Options	Weighted average exercise price (Rs.)	No. of Options	Weighted average exercise price (Rs.)
<b>Options granted under ESOS 2012</b>				
Options outstanding at the beginning of the year	1,88,400	126.20	3,37,500	126.20
Options granted during the year	-	-	-	-
Options forfeited during the year	3,700	126.20	36,600	126.20
Options exercised during the year	-	-	-	-
Options expired during the year	92,350	126.20	1,12,500	126.20
Options outstanding at the end of the year	92,350	126.20	1,88,400	126.20
Options exercisable at the end of the year		92,350		1,88,400
Exercise price of outstanding options as per ESOS scheme (Rs.)		126.20		126.20
Remaining contractual life of outstanding options (years)		0.44 years		0.94 years

### 32.2 Fair value of share options granted in the year

There are no new grants during the financial year 2019-20

### Note 33 Financial Instruments

#### 33.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Company does not have any borrowing outstanding as at the year end. The Company is not subject to any externally imposed capital requirements.

#### 33.2 Categories of financial instruments

₹ In Millions

Particulars	As at	
	31 March, 2020	31 March, 2019
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and cash equivalents	14.44	83.50
(b) Bank balance other than covered in (a) above	0.82	0.80
(c) Trade Receivables	23.11	53.92
(d) Loans	408.84	352.72
(e) Other financial assets	22.77	37.18
(f) Other investment	0.20	0.19
<b>Measured at FVTPL</b>		
(a) Investment in mutual funds	564.15	632.11
(b) Investment in corporate bonds	50.14	49.44
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Trade Payables	339.98	411.31
(b) Other financial liabilities	1,392.57	131.97

#### 33.3 Financial risk management objectives

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables and cash and short-term deposits that are derived directly from its operations. Current investments are optimal deployment of excess funds.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk). The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimize potential adverse effects of such risks on the company's operational and financial performance.

### 33.3.1 Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables (mainly franchisees), deposits with landlords for restaurant properties taken on lease and other receivables.

Trade and other receivables: The Company's business is predominantly through cash and credit card collections. The credit risk on credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of franchisees and the credit risk exposure for them is managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for restaurant properties taken on leases, for which agreements are signed and property possessions timely taken for restaurant operations. The risk relating to refunds after vacating or restaurant shut down is minimal since the possession of the premises is retained till the refund is collected or there are liabilities outstanding against which the asset can be adjusted.

### 33.3.2 Liquidity risk management

The Company's principal sources of liquidity are cash and cash equivalents, cash flow generated from operations and by churning of current investments. The Company does not have any borrowing outstanding as at the year end. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

#### Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Company can be required to pay.

₹ In Millions

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
<b>31 March, 2020</b>					
Trade Payables	339.98	-	-	-	339.98
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	36.79	-	-	-	36.79
Lease liability	186.59	373.15	317.53	400.87	1,278.14
Security deposit received	-	3.10	21.25	-	24.35
<b>Total</b>	<b>563.49</b>	<b>376.25</b>	<b>338.78</b>	<b>400.87</b>	<b>1,679.39</b>
<b>31 March, 2019</b>					
Trade Payables	411.31	-	-	-	411.31
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	19.31	-	-	-	19.31
Rent payable	2.84	18.19	31.95	36.44	89.42
Security deposit received	-	3.10	20.00	-	23.10
<b>Total</b>	<b>433.59</b>	<b>21.29</b>	<b>51.95</b>	<b>36.44</b>	<b>543.27</b>

### 33.3.3 Market Risk

The Company is exposed to market risks associated with foreign currency rates and commodity prices.

#### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The exchange gains or losses are recognised in Statement of Profit or Loss on the date of settlement and restatement at quarterly intervals.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency
<b>Amounts receivable in foreign currency on account of the following:</b>				
Royalty and Management fees receivable	8.83	USD 120,088	12.21	USD 171,635
Reimbursement of Expenses	2.09	USD 33,938	2.12	USD 34,494
Reimbursement of Expenses	1.19	GBP 12,804	-	-
<b>Total</b>	<b>12.11</b>		<b>14.33</b>	
<b>Amounts payable in foreign currency on account of the following:</b>				
Professional fees	1.64	USD 21,767.44	0.83	USD 11,966
Professional fees	0.34	GBP 3,705	2.28	GBP 25,167
Professional fees	0.11	EURO 1,266	-	-
<b>Total</b>	<b>2.09</b>		<b>3.11</b>	

The Company's exchange risk arises from its foreign currency revenues and expenses.



As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees will decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies, the Company is not significantly exposed to foreign currency risk.

#### Commodity Price Risk:

The Company purchases certain products, including meat, cheese, vegetables and other commodities which are subject to price volatility that is caused by weather, market conditions and other factors that are not considered predictable or within the Company's control. The Company's supplies and raw materials are available from several sources, and not dependent upon any single source for these items. If any existing suppliers fail or are unable to deliver in quantities required by the Company, the Company believes that there are sufficient other quality suppliers in the marketplace such that the Company sources of supply can be replaced as necessary.

#### Foreign Currency Sensitivity:

The following tables demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Receivable USD	0.58	(0.58)	0.72	(0.72)
Receivable GBP	0.06	(0.06)	-	-
Payable USD	(0.08)	0.08	(0.04)	0.04
Payable GBP	(0.01)	0.01	(0.11)	0.11
Payable EURO	(0.01)	0.01	-	-

### 33.4 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 33.4.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ In Millions

Sr. No.	Financial assets	Fair value as at		Fair value hierarchy
		31 March, 2020	31 March, 2019	
1	Investments in Mutual funds	564.14	632.11	Level 1
2	Investment in Corporate bond	50.14	49.44	Level 1

#### 33.4.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors are of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

#### Note 34 Segment information

The principal business of the Company is operating food outlets/ sweet shops. All other activities of the Company revolve around its principal business. The Chairman & Managing Director (CMD) of the Company, has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. Therefore, directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments. The Company predominantly operates in one geography i.e. India.

## Note 35 Related Party Disclosures

### List of Related parties and their relationships

Sr. No	Category of related parties	Names
1	Promoters	Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee
2	Key management personnel	<b>Executive Directors</b> Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee Mr. Indroneil Chatterjee Mr. Avik Chatterjee (Son of Mr. Anjan Chatterjee) (Appointed w.e.f. February 3, 2020) <b>Non Executive Directors</b> Mr. Rakesh Pandey Mr. Ullal Ravindra Bhat Mr. Dushyant Mehta Dr. Anita Bandyopadhyay (Appointed w.e.f. February 3, 2020)
3	Relative of Promoters	Mrs. Harshita Deshpande (Daughter of Mr. Anjan Chatterjee)
4	Enterprises over which directors or relatives of directors exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P)Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Jointly Ventured Company	Mainland China Restaurant & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
6	Wholly owned subsidiaries	Speciality Hospitality UK Limited (incorporated on August 22, 2017) Speciality Hospitality US, Inc. (incorporated on September 19, 2019)
7	Joint Venture of wholly owned subsidiaries	Caterland Hospitality Ltd (incorporated on July 18, 2019) Foodland Ventures LLC (incorporated on October 7, 2019)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Wholly owned subsidiary and Joint Venture of wholly owned subsidiaries	Joint Venture Company	Total
<b>Transactions during the year ended 31 March 2020</b>						
<b>Remuneration (Refer note 2 below)</b>						
Mr. Anjan Chatterjee	5.75 (6.00)	-	-	-	-	5.75 (6.00)
Mrs. Suchhanda Chatterjee	2.01 (2.10)	-	-	-	-	2.01 (2.10)
Mr. Indroneil Chatterjee	2.13 (2.10)	-	-	-	-	2.13 (2.10)
Mr. Avik Chatterjee	0.23 -	1.00 (1.20)	-	-	-	1.23 (1.20)
Mrs. Harshita Deshpande	- -	- (0.13)	-	-	-	- (0.13)
<b>Total</b>	<b>10.12</b> <b>(10.20)</b>	<b>1.00</b> <b>(1.33)</b>	-	-	-	<b>11.12</b> <b>(11.53)</b>



Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Wholly owned subsidiary and Joint Venture of wholly owned subsidiaries	Joint Venture Company	Total
<b>Sitting Fees paid to Non Executive Directors</b>						
Mr. Rakesh Pandey	0.62	-	-	-	-	0.62
	(0.32)	-	-	-	-	(0.32)
Mr. Ullal Ravindra Bhat	0.64	-	-	-	-	0.64
	(0.34)	-	-	-	-	(0.34)
Mr. Dushyant Mehta	0.62	-	-	-	-	0.62
	(0.36)	-	-	-	-	(0.36)
<b>Total</b>	<b>1.88</b>	-	-	-	-	<b>1.88</b>
	<b>(1.02)</b>	-	-	-	-	<b>(1.02)</b>
<b>Rent and other expenses paid</b>						
Situations Advertising & Marketing Services Private Limited						
- Rent	-	-	35.48	-	-	35.48
	-	-	(35.60)	-	-	(35.60)
- Retainership Fees	-	-	1.42	-	-	1.42
	-	-	(1.42)	-	-	(1.42)
- Advertisement Expenses	-	-	3.89	-	-	3.89
	-	-	(2.78)	-	-	(2.78)
- Reimbursement of Expenses	-	-	11.13	-	-	11.13
	-	-	(11.11)	-	-	(11.11)
Prosperous Promoters Private Limited	-	-	-	-	-	-
	-	-	(2.95)	-	-	(2.95)
Others	3.09	-	5.58	-	-	8.67
	(3.09)	-	(3.56)	-	-	(6.65)
<b>Expenses incurred on behalf of related party</b>						
Caterland Hospitality Ltd						
Expenses incurred on behalf of Joint Venture of wholly owned subsidiary	-	-	-	2.73	-	2.73
	-	-	-	-	-	-
<b>Total</b>	<b>3.09</b>	-	<b>57.50</b>	<b>2.73</b>	-	<b>63.31</b>
	<b>(3.09)</b>	-	<b>(57.42)</b>	-	-	<b>(60.51)</b>
<b>Security deposits given</b>						
Situations Advertising & Marketing Services Private Limited	-	-	-	-	-	-
	-	-	(0.50)	-	-	(0.50)
<b>Total</b>	-	-	-	-	-	-
	-	-	<b>(0.50)</b>	-	-	<b>(0.50)</b>
<b>Investment in Wholly Owned Subsidiary Company</b>						
Speciality Hospitality UK Limited	-	-	-	55.46	-	55.46
	-	-	-	(39.59)	-	(39.59)
Speciality Hospitality US, INC.	-	-	-	7.31	-	7.31
	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>62.77</b>	-	<b>62.77</b>
	-	-	-	<b>(39.59)</b>	-	<b>(39.59)</b>
<b>Balances as at 31 March 2020</b>						
<b>Other payables</b>						
Situations Advertising & Marketing Services Private Limited	-	-	8.68	-	-	8.68
	-	-	(6.66)	-	-	(6.66)
Prosperous Promoters Private Limited	-	-	1.55	-	-	1.55
	-	-	(1.55)	-	-	(1.55)
Others	1.85	0.07	2.55	-	-	4.47
	(2.11)	(0.09)	(2.55)	-	-	(4.75)
<b>Total</b>	<b>1.85</b>	<b>0.07</b>	<b>12.78</b>	-	-	<b>14.70</b>
	<b>(2.11)</b>	<b>(0.09)</b>	<b>(10.76)</b>	-	-	<b>(12.96)</b>

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Wholly owned subsidiary and Joint Venture of wholly owned subsidiaries	Joint Venture Company	Total
<b>Security deposits given</b>						
Situations Advertising & Marketing Services Private Limited	-	-	51.62	-	-	51.62
	-	-	(51.62)	-	-	(51.62)
Prosperous Promoters Private Limited	-	-	28.11	-	-	28.11
	-	-	(28.11)	-	-	(28.11)
Others	3.00	-	9.10	-	-	12.10
	(3.00)	-	(9.10)	-	-	(12.10)
<b>Total</b>	<b>3.00</b>	-	<b>88.83</b>	-	-	<b>91.83</b>
	<b>(3.00)</b>	-	<b>(88.83)</b>	-	-	<b>(91.83)</b>
<b>Franchisee Income Receivable (Refer note 3 below)</b>						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	3.30	3.30
	-	-	-	-	(3.30)	(3.30)
<b>Total</b>	-	-	-	-	<b>3.30</b>	<b>3.30</b>
	-	-	-	-	<b>(3.30)</b>	<b>(3.30)</b>
<b>Advance to Joint Venture Company (Refer note 3 below)</b>						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	12.50	12.50
	-	-	-	-	(12.50)	(12.50)
<b>Total</b>	-	-	-	-	<b>12.50</b>	<b>12.50</b>
	-	-	-	-	<b>(12.50)</b>	<b>(12.50)</b>
<b>Loan given to Joint Venture Company (Refer note 3 below)</b>						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	76.72	76.72
	-	-	-	-	(76.72)	(76.72)
<b>Total</b>	-	-	-	-	<b>76.72</b>	<b>76.72</b>
	-	-	-	-	<b>(76.72)</b>	<b>(76.72)</b>
<b>Investment in Joint Venture Company (Refer note 3 below)</b>						
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	-	8.88	8.88
	-	-	-	-	(8.88)	(8.88)
<b>Total</b>	-	-	-	-	<b>8.88</b>	<b>8.88</b>
	-	-	-	-	<b>(8.88)</b>	<b>(8.88)</b>
<b>Investment in Wholly Owned Subsidiary Company</b>						
Speciality Hospitality UK Limited	-	-	-	95.05	-	95.05
	-	-	-	(39.59)	-	(39.59)
Speciality Hospitality US, INC.	-	-	-	7.31	-	7.31
	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>102.36</b>	-	<b>102.36</b>
	-	-	-	<b>(39.59)</b>	-	<b>(39.59)</b>
<b>Receivable for expenses incurred on behalf of Joint Venture of wholly owned subsidiaries</b>						
Speciality Hospitality UK Limited	-	-	-	2.55	-	2.55
	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>2.55</b>	-	<b>2.55</b>
	-	-	-	-	-	-

#### Notes

- Figures in paranthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March, 2019 in relation to the Balance Sheet
- Post retirement benefits is determined by the Company as a whole for all employees put together and hence disclosures of post employment benefits of Key management personnel is not separately available.
- These balances had been fully provided for in preceeding previous years.





**Note 36****(a) Income tax expense recognised in the Statement of Profit & Loss**

₹ In Millions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current Tax:</b>		
In respect of current year	-	9.00
In respect of prior years	(9.00)	1.11
Deferred tax	-	-
<b>Total</b>	<b>(9.00)</b>	<b>10.11</b>

**Unused tax losses**

₹ In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation	141.64	222.68
Long term capital loss	71.39	71.39
<b>Total</b>	<b>213.03</b>	<b>294.07</b>

Note: The accumulated long term capital loss would start to expire under the tax laws from 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

**(b) Deferred tax****(i) Deferred tax assets/(liabilities) in relation to:**

₹ In Millions

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment & Intangible assets	245.39	193.08
Provision for doubtful debts/advances	52.66	59.64
Right of use asset	(232.17)	-
Lease liability	321.71	-
Defined benefit obligation	14.25	9.47
<b>Deferred tax assets/(liabilities) (net)</b>	<b>401.84</b>	<b>262.19</b>
<b>Deferred tax assets/(liabilities) recognised</b>	-	-

**Note:**

Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence. Deferred tax assets have been restricted to deferred tax liabilities. Accordingly no deferred tax assets/(liabilities) have been recognised.

**Note 37 Details of Investees - Subsidiaries & Joint Ventures**

The Company's interests, as a venturer, in the joint venture company are as follows:

Name of Investee	Principal activities	Place of incorporation and principal place of business	Proportion of ownership interest / voting rights held by the company	
			31 March 2020	31 March 2019
<b>a) Particulars of Subsidiaries</b>				
Speciality Hospitality UK Limited	Restaurant business	UK	100%	100%
Speciality Hospitality US, Inc.	Restaurant business	USA	100%	-
<b>b) Interest in Joint Venture</b>				
Caterland Hospitality Ltd. (Through wholly owned subsidiary)	Restaurant business	UK	51%	-
Foodland Ventures LLC (Through wholly owned subsidiary)	Restaurant business	USA	50.5%	-
Mainland China & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)	Restaurant business	Doha, Qatar	49%	49%

**Note 38**

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.

As part of a going concern assessment, the Company has assessed the impact of the Covid 19 on the operations and forecasted cash flows. The Company has drawn business plan and has sufficient liquidity to continue to meet its obligations as they fall due and the current circumstances are not expected to have any material financial impact and no material uncertainties related to going concern exist for the Company.

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.

**Note 39 Exceptional Item**

The Company has decided to close certain restaurants due to financial unviability because of Covid -19 pandemic. Due to this the Company has carried out Impairment Testing as per Ind AS 36 of the assets as at 31 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 have been reversed for units closed and the balance is recognized as an Exceptional gain. Relevant details are as under:

₹ In Millions

Particulars	31 March, 2020	31 March, 2019
i) Impairment of Property, Plant and Equipment	254.45	-
ii) Impairment of Rights of Use Asset	164.54	-
iii) Gain on lease modification / termination	(145.21)	-
<b>Total</b>	<b>273.78</b>	<b>-</b>

**Note 40**

Effective 1 April, 2018 the Company adopted Ind AS 115 'Revenue from contracts with customers'. The effect on adoption of Ind AS 115 on the financial statements is insignificant.

**Note 41**

Previous period / year figures have been regrouped, wherever necessary.

**Note 42****Approval of financial statements**

The financial statements were approved for issue by the board of directors on 23 July, 2020.



**CONSOLIDATED  
FINANCIAL STATEMENTS  
2019-20**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Speciality Restaurants Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Speciality Restaurants Limited** (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") including the Group's share of losses in its associates and joint venture which comprise the Consolidated Balance sheet as at March 31 2020, the Consolidated Statement of Profit and Loss, including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of separate financial information of the joint venture and subsidiary companies certified by the Management, referred to in Other Matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated losses including other comprehensive loss, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind As financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of matter

We draw attention to Note 38 and Note 39 to the consolidated Ind AS financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management and exceptional item resulting from COVID-19 pandemic i) impairment of assets recognized amounting Rs. 254.45 Millions, ii) impairments of Rights of use asset amounting Rs. 164.54 Millions, iii) gain on lease modification/ termination amounting Rs. 145.21 Millions. The consequential impact may be different from that estimated as at the date of approval of these financial statements and the Group 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition - Refer Note 19 of the Consolidated Ind AS financial statements</b>	
<p>The Group recognizes revenue when the control of goods being sold is transferred to the customer. The Group's revenue relates to restaurant and confectionary sales and services to customers.</p> <p>Due to high level of transaction across various units, situated across India, there exists a risk of misstatement of the timing and amount of revenue recognized to achieve specific performance targets or expectations.</p> <p>The Group also has franchisee arrangements and revenue share arrangements for royalty/ fee based on sales.</p> <p>The Group and its external stakeholders focus on revenue as a key performance indicator, which could lead to recognition of revenue without meeting the revenue recognition criterion.</p> <p>In view of the above we have identified revenue recognition as a key audit matter.</p>	<p>We have carried out following audit procedure:</p> <ul style="list-style-type: none"><li>Assessed the appropriateness of the accounting policy for revenue recognition as per the relevant accounting standards.</li><li>Evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis.</li><li>Performed substantive testing of sales by selecting samples of sales made at certain restaurants using statistical sampling and tested the underlying documentation including kitchen order tickets.</li><li>Reviewed the reconciliation of revenue recorded for the year with collections through cash, credit card and aggregators, as applicable to confirm that revenue recorded is supported by collections.</li><li>Perused selected samples of key contracts with aggregators and franchisees to understand the terms and conditions particularly relating to revenue share, royalty &amp; fee payments.</li><li>Evaluated whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard.</li></ul>



Key audit matters	How our audit addressed the key audit matter
<b>Going Concern (Refer Note 38 of Consolidated Ind AS Financial Statement)</b>	
<p>The Group operates restaurants mainly in metro cities of India and all restaurants of the Group were non-operational during the COVID-19 Lockdown Phase-I.</p> <p>The Group has assessed the potential impact of COVID-19 on the carrying value of assets, business plan, renegotiation of lease arrangements and future cash flow projections and evaluated various scenario for assessment of Going Concern.</p> <p>This has been considered as Key Audit Matter as there are uncertainties which have been analyzed by the Group, however since the situations are continuously evolving, the impact assessed may be different from the estimates.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of controls instituted by the management to assess going concern assumptions and tested the effectiveness of the management controls.</li> <li>• Testing of management’s assumptions on the appropriateness of the going concern assumption and reasonableness of the assumptions used, focusing in particular, the business plans, projections, liquidity management, recoverability and impairment of assets of the Group.</li> <li>• Analyzed management’s report to gain an understanding of the inputs and processes supporting the cash flow projections prepared for the purpose of going concern assessment.</li> <li>• Assessed the appropriateness of the related disclosures in the notes to financial statements.</li> </ul>
<b>Impairment of assets (Exceptional Item) (Refer Note 39 of Consolidated Ind AS Financial Statement)</b>	
<p>Due to COVID -19, the Group has decided to shut down certain restaurants, terminated lease arrangements and evaluated change of business plans.</p> <p>The Group has carried out impairment testing of its assets and has booked impairment loss of Rs. 418.99 Millions, which has been reflected as “Exceptional Item”, refer note 39.</p> <p>The assessment of the recoverable amount requires significant judgment, in particular, relating to estimated cash flow projections and discount rates. Due to the level of judgments involved, impact of COVID-19 on Hospitality Industry and significance to the Group’s financial position, this is considered to be a key audit matter.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Analyzed the impact of COVID-19 lockdown on the operations of the Group</li> <li>• Assessed the internal controls designed for identification of impairment indicators.</li> <li>• Reviewed the procedure for identification and testing impairment assessment.</li> <li>• Evaluated the appropriateness of the Group’s judgment regarding identification of assets considered for impairment.</li> <li>• Obtained understanding of the key assumptions considered for assessment of future cash flows and the discounting factor considered.</li> <li>• Assessed the disclosures made in the Consolidated Ind AS financial statement.</li> </ul>
<b>Ind AS 116 Leases (Refer Note 4b and Note 30 of Consolidated Ind AS Financial Statement)</b>	
<p>Ind AS 116 ‘Leases’ is effective for the accounting period commencing 1 April 2019. Ind AS 116 has had a significant impact on the reported assets, liabilities and the income statement of the Group. Impact of the Ind AS 116 transition is reliant upon a number of key estimates, determining the appropriate discount rates and determination of Short-Term Leases or Leases with variable terms, which are not considered.</p> <p>There is a risk that the lease data which is used in the calculation of Ind AS 116 transition calculation is incomplete or inaccurate.</p> <p>The Group has terminated certain Lease arrangement either on completion of lease terms, or unviability of the restaurant due to COVID-19 or otherwise. Reversal of ROU and Lease liability for such leases should be accurate and in compliance with relevant accounting standard.</p> <p>In view of the above, this is considered as a key audit matter.</p>	<p>We have carried out following audit procedure</p> <ul style="list-style-type: none"> <li>• Assessed the design and implementation of the key controls relating to the determination of the Ind AS 116 transition impact disclosure.</li> <li>• Assessed the discount rates used to calculate the lease obligation.</li> <li>• Assessed the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentations.</li> <li>• Tested the completeness of the lease data by reconciling the Group’s existing lease commitments to the lease data used in the Ind AS 116.</li> <li>• Verification of the data for recognition of lease liability, right of use assets, depreciation and interest.</li> <li>• Evaluated whether the disclosures included in the notes to the financial statements are in conformity with the applicable standard.</li> </ul>

#### Information Other than the Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information compare with the financial information of the joint venture company and subsidiary companies certified by the Management, to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and its

joint venture companies in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of Companies included in the Group and its joint venture companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid .

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in group and of its joint venture Companies are responsible for assessing the ability of the Group and its joint venture Companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate, cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture Companies are also responsible for overseeing the Group's financial reporting process of the group and of its joint venture Companies.

#### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are 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 these consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements, 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 Holding Company has adequate internal financial controls systems with reference to the financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's 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 ability of the Group or its joint venture Companies 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 consolidated Ind AS financial statements 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 Group or its joint venture Companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group and its joint venture Companies to express an opinion on the Consolidated Ind AS financial Statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the Consolidated Ind AS financial Statement of which we are the independent auditors. The financial information of other entities, included in the Consolidated Financial Results have not been audited and these unaudited financial statements have been approved and furnished by the management. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of Holding Company and 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

1. Due to COVID-19 related lock-down restrictions, the management of the holding company 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 the 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 the Consolidated Ind AS financial Statement.

2. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiary companies and their share of profits in joint ventures, which are located outside India whose financial statements reflect total assets of Rs. 91.11 Millions as at March 31, 2020, total revenues of Rs 2.87 Millions, total profit after tax of Rs. 1.62 Millions, total comprehensive income of Rs. 1.62 Millions and net cash outflow of Rs 24.10 Millions for the year ended March 31, 2020 as considered in consolidated Ind AS financial statement. The consolidated financial statements also include the Group's share of net loss of Rs.1.26 million for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of two joint venture companies. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the accounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and other financial information of the subsidiaries and joint venture companies, as noted in "Other Matters" paragraph, We report to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors of Holding Company as on 31<sup>st</sup> March 2020 and taken on record by the Board of Directors of Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding Company;
  - (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated IND AS financial statements disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – Refer Note 27 to the consolidated Ind AS financial statements;
    - ii. The Group and its joint venture companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31<sup>st</sup> March, 2020.

**For Singhi & Co.**  
Chartered Accountants  
Firm Registration Number: 302049E

**Sukhendra Lodha**  
Partner  
Membership No:071272  
UDIN:UDIN: 20071272AAAABH9685

**Place: Mumbai**  
**Date: 23 July, 2020**



## Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1(A)(f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Speciality Restaurants Limited ('the Holding Company') as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Speciality Restaurants Limited ("the Holding Company"), a company incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the internal financial controls of the Holding Company with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to consolidated financial statements included obtaining an understanding of internal financial controls with respect to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system of the Holding Company with reference to consolidated Ind AS financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting with reference to Consolidated Ind AS Financial Statements

6. A Company's internal financial control with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations' of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements

#### Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated Ind AS financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Singh & Co.**

Chartered Accountants

Firm Registration Number: 302049E

**Sukhendra Lodha**

Partner

Membership No:071272

UDIN: 20071272AAAABH9685

Place: Mumbai

Date: 23 July, 2020





## Consolidated Balance Sheet as at 31 March, 2020

₹ In Millions

Particulars	Notes	As at 31 March, 2020	As at 31 March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	4a	545.64	801.35
b. Right of use asset	4b	998.20	-
c. Capital work-in-progress		331.23	352.29
d. Intangible assets	4a	16.61	18.70
e. Financial assets			
i. Investments			
(a) Investment in equity instruments	5	75.85	-
(b) Other investments	6	0.20	49.63
ii. Loans	7	204.68	318.00
iii. Other financial assets	8	-	-
f. Other non-current assets	9	264.80	241.81
<b>Total non-current assets</b>		<b>2,437.21</b>	<b>1,781.78</b>
<b>Current assets</b>			
a. Inventories	10	73.76	66.82
b. Financial assets			
i. Other investments	6	614.28	632.11
ii. Trade receivables	11	23.10	53.92
iii. Cash and cash equivalents	12	16.69	109.85
iv. Bank balances other than (iii) above	12	0.82	0.80
v. Loans	7	204.16	34.71
vi. Other financial assets	8	39.44	37.18
c. Other current assets	9	79.19	123.90
<b>Total current assets</b>		<b>1,051.45</b>	<b>1,059.29</b>
<b>Total Assets</b>		<b>3,488.66</b>	<b>2,841.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	13	469.58	469.58
b. Other equity	14	1,168.54	1,724.14
<b>Total equity</b>		<b>1,638.11</b>	<b>2,193.72</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Other financial liabilities	16	1,109.93	109.69
b. Provisions	17	48.90	33.26
<b>Total non-current liabilities</b>		<b>1,158.82</b>	<b>142.95</b>
<b>Current liabilities</b>			
a. Financial Liabilities			
i. Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		0.21	0.88
- total outstanding dues of creditors other than micro enterprises and small enterprises		339.53	414.99
ii. Other financial liabilities	16	282.64	22.28
b. Other current liabilities	18	69.34	66.25
<b>Total current liabilities</b>		<b>691.72</b>	<b>504.40</b>
<b>Total liabilities</b>		<b>1,850.54</b>	<b>647.35</b>
<b>Total Equity and Liabilities</b>		<b>3,488.66</b>	<b>2,841.07</b>
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

In terms of our report attached.

**For Singhi & Co**

Chartered Accountants  
FRN: 302049E

**Sukhendra Lodha**

Partner  
M No. 071272

Place: Mumbai  
Date: 23 July, 2020

**For and on behalf of the Board of Directors**

**Anjan Chatterjee**

Chairman and Managing Director  
DIN : 00200443

**Rajesh Kumar Mohta**

Executive Director - Finance  
& Chief Financial Officer

**Avinash Kinshikar**

Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

**Ullal Ravindra Bhat**

Director  
DIN : 00008425

**Dushyant Mehta**

Director  
DIN : 00126977



## Consolidated Statement of Profit and Loss for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
I Revenue from operations	19	3,577.84	3,463.64
II Other income	20	102.74	94.55
<b>III Total Income (I + II)</b>		<b>3,680.58</b>	<b>3,558.19</b>
<b>IV Expenses</b>			
Cost of materials consumed	21	1,134.84	1,089.09
Employee benefits expense	22	820.22	818.77
Finance costs	23	211.47	0.00
Depreciation and amortisation expense	24	574.85	287.07
Impairment loss on financial assets	25	1.89	37.15
Other expenses	26	1,051.26	1,393.89
<b>Total Expenses</b>		<b>3,794.53</b>	<b>3,625.97</b>
<b>V Loss before share of Joint Venture Company exceptional item and tax (III - IV)</b>		<b>(113.95)</b>	<b>(67.78)</b>
VI Exceptional item (Refer note 39)		(273.78)	-
<b>VII Loss before share of Joint Venture Company and tax (V - VI)</b>		<b>(387.73)</b>	<b>(67.78)</b>
VIII Share in Loss of Associate		1.26	0.22
<b>IX Loss before tax (VII - VIII)</b>		<b>(388.99)</b>	<b>(68.00)</b>
<b>X Tax expense</b>	36		
(1) Current tax		-	9.00
(2) Deferred tax		-	-
(3) Short provision for tax relating to prior years		(9.00)	1.11
		<b>(9.00)</b>	<b>10.11</b>
<b>XI Loss for the year (IX - X)</b>		<b>(379.99)</b>	<b>(78.11)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plan		(6.94)	(4.46)
Items that may be reclassified to profit or loss			
- Exchange Difference arising on translating the foreign operations		2.76	(0.88)
<b>XII Total other comprehensive (loss)/income</b>		<b>(4.18)</b>	<b>(5.34)</b>
<b>XIII Total comprehensive loss for the period (XI + XII)</b>		<b>(384.17)</b>	<b>(83.45)</b>
Earnings per equity share	29		
(1) Basic (in Rs.)		(8.09)	(1.66)
(2) Diluted (in Rs.)		(8.09)	(1.66)
<b>Significant accounting policies</b>	2		
<b>The accompanying notes are an integral part of the financial statements</b>			

In terms of our report attached.

**For Singhi & Co**  
Chartered Accountants  
FRN: 302049E

**Sukhendra Lodha**  
Partner  
M No. 071272

Place: Mumbai  
Date: 23 July, 2020

**For and on behalf of the Board of Directors**

**Anjan Chatterjee**  
Chairman and Managing Director  
DIN : 00200443

**Ullal Ravindra Bhat**  
Director  
DIN : 00008425

**Rajesh Kumar Mohta**  
Executive Director - Finance  
& Chief Financial Officer

**Dushyant Mehta**  
Director  
DIN : 00126977

**Avinash Kinhikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

## Consolidated Statement of Changes in Equity for the year ended 31 March, 2020

### A. EQUITY SHARE CAPITAL

₹ In Millions

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at March 31, 2019	13	469.58	-	469.58
As at March 31, 2020		469.58	-	469.58

### B. OTHER EQUITY

₹ In Millions

Particulars	Notes	Capital Reserve	Securities Premium Account	Retained Earnings	Share Options Outstanding Account	Foreign Currency Translation Reserve	Total
<b>As at March 31, 2018</b>	14	<b>1.67</b>	<b>1,626.50</b>	<b>168.51</b>	<b>12.93</b>	-	<b>1,809.61</b>
Loss for the year		-	-	(78.11)	-	-	(78.11)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(2.02)	-	(2.02)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(4.46)	-	-	(4.46)
Other comprehensive loss arising from exchange difference arising on translating the foreign operations		-	-	-	-	(0.88)	(0.88)
Total comprehensive loss for the year		-	-	(82.57)	(2.02)	(0.88)	(85.47)
<b>As at March 31, 2019</b>		<b>1.67</b>	<b>1,626.50</b>	<b>85.94</b>	<b>10.91</b>	<b>(0.88)</b>	<b>1,724.14</b>
Loss for the year		-	-	(379.99)	-	-	(379.99)
Movement on account of ESOP's - reversal on account of options forfeited during the period		-	-	-	(1.50)	-	(1.50)
Other comprehensive loss arising from remeasurement of defined benefit obligation		-	-	(6.94)	-	-	(6.94)
Other comprehensive loss arising from exchange difference arising on translating the foreign operations		-	-	-	-	2.76	2.76
On account of Ind AS 116 Transition		-	-	(169.93)	-	-	(169.93)
Total comprehensive loss for the year		-	-	(556.86)	(1.50)	2.76	(555.60)
<b>As at March 31, 2020</b>		<b>1.67</b>	<b>1,626.50</b>	<b>(470.92)</b>	<b>9.41</b>	<b>1.88</b>	<b>1,168.54</b>
Significant accounting policies	2						

The accompanying notes are an integral part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

**For Singhi & Co**

Chartered Accountants  
FRN: 302049E

**Anjan Chatterjee**

Chairman and Managing Director  
DIN : 00200443

**Ullal Ravindra Bhat**

Director  
DIN : 00008425

**Sukhendra Lodha**

Partner  
M No. 071272

**Rajesh Kumar Mohta**

Executive Director - Finance  
& Chief Financial Officer

**Dushyant Mehta**

Director  
DIN : 00126977

**Avinash Kinhikar**

Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

Place: Mumbai  
Date: 23 July, 2020



## Consolidated Statement of Cash Flows for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Cash flow from Operating Activities</b>			
<b>Loss before tax</b>		<b>(387.74)</b>	<b>(68.00)</b>
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment - property plant and equipment		464.39	287.07
Depreciation and impairment - right of use asset		529.45	-
Gain on sale of property, plant and equipment (net)		(0.22)	(0.24)
Share of Loss in Joint Venture		-	0.22
(Gain)/loss on disposal of right of use asset		(151.39)	-
Profit on sale of investments (net)		(59.91)	(29.03)
(Gain)/loss on fair value of investments (net)		17.81	(15.41)
Finance costs		211.47	0.00
Interest income from banks/others		(7.22)	(13.83)
Interest on income tax refund		(1.48)	(9.22)
Dividend on current investments		-	(0.02)
Unwinding effect of security deposits		(36.45)	2.25
Sundry balances written off		0.67	0.40
(Income)/expenses recognised in respect of equity-settled shared based payments		-	(2.02)
Lease rent equalisation adjustment		-	0.81
Provision for doubtful debts and advances		1.89	37.15
Payable on account of gratuity (net)		8.69	-
Foreign exchange (gain)/loss (net)		-	(0.38)
<b>Operating Profit before working capital changes</b>		<b>589.96</b>	<b>189.75</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>			
Inventories		(6.94)	3.63
Trade receivables		28.93	5.72
Other current financial assets		(2.26)	13.82
Other non-current financial assets		(155.60)	(42.72)
Other current assets		35.79	(6.32)
Other non-current assets		(1.22)	(14.84)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>			
Trade payables		(76.80)	(8.17)
Other current liabilities		3.09	13.65
Other non-current financial liabilities		(4.72)	10.00
Other current financial liabilities		245.73	-
Non - current provision		6.94	-
<b>Cash generated from operations</b>		<b>662.90</b>	<b>164.52</b>
Net income tax (paid)/refund		(8.33)	(8.29)
<b>A. Net cash generated from Operating Activities (A)</b>		<b>654.57</b>	<b>156.23</b>

## Consolidated Statement of Cash Flows for the year ended 31 March, 2020

₹ In Millions

Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>B. Cash flow from Investing Activities</b>			
Capital expenditure on property, plant and equipment		(191.00)	(150.55)
Proceeds from sale of property, plant and equipment		2.77	2.71
Investment in subsidiary company		(75.85)	-
Investment in commercial paper		(0.71)	(49.44)
Investment in mutual funds		(625.40)	(1,257.77)
Proceeds from sale of current investments		735.47	1,342.07
Current loans		(169.45)	1.71
Non-current loans		113.32	(0.87)
Interest received		7.22	13.83
Dividend received		-	0.02
Bank deposits placed		(0.02)	(0.02)
<b>B. Net cash used in Investing Activities (B)</b>		<b>(203.65)</b>	<b>(98.31)</b>
<b>C. Cash flow from Financing Activities</b>			
Repayment of long-term borrowings		-	(0.26)
Payment of Lease liability		(544.08)	-
Finance costs		-	(0.00)
<b>C. Net cash used in Financing Activities (C)</b>		<b>(544.08)</b>	<b>(0.26)</b>
<b>Net increase in cash and cash equivalents (A+B+C) = (D)</b>		<b>(93.16)</b>	<b>57.66</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>		<b>109.85</b>	<b>52.19</b>
<b>Cash and cash equivalents at the end of the year (D) +(E)</b>		<b>16.69</b>	<b>109.85</b>
Significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

### 1. Reconciliation of liabilities arising out from financing activities

₹ In Millions

Particulars	As at April 1, 2019	Cash Flows	Non-cash changes Fair value changes	As at March 31, 2020
Borrowings	-	-	-	-
	As at April 1, 2018	Cash Flows	Non-cash changes Fair value changes	As at March 31, 2019
	0.26	(0.26)	-	-

In terms of our report attached.

For and on behalf of the Board of Directors

**For Singhi & Co**  
Chartered Accountants  
FRN: 302049E

**Anjan Chatterjee**  
Chairman and Managing Director  
DIN : 00200443

**Ullal Ravindra Bhat**  
Director  
DIN : 00008425

**Sukhendra Lodha**  
Partner  
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**Rajesh Kumar Mohta**  
Executive Director - Finance  
& Chief Financial Officer

**Dushyant Mehta**  
Director  
DIN : 00126977

**Avinash Kinshikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020

Place: Mumbai  
Date: 23 July, 2020



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 COMPANY BACKGROUND

Speciality Restaurants Limited (“The Company”) is a Public Limited Company incorporated in India. The Company and its subsidiary (hereinafter referred to as “the Group”) and its joint venture company is primarily engaged in the business of operating restaurant outlets / sweet shops.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation

The consolidated financial statements have been prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given at the date of the transaction, in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

#### b) Consolidation of financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The financial statements of the Group and the joint venture company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2020. When necessary, adjustments are made to the financial statements of the subsidiary and the joint venture Company to bring their accounting policies into line with the Group’s accounting policies. The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

#### Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group’s investment in a joint venture is accounted for by the Equity Method. On initial recognition the investment is recorded at cost, and the carrying amount is increased or decreased to recognize the Group’s share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. Distributions received from the joint venture reduce the carrying amount of the investment. When the Group’s share of losses of a joint venture exceeds the Group’s interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in that joint venture), the Group discontinues recognising its share of further losses. Additional losses are however recognised to the extent that the Group has



incurred legal or constructive obligations on behalf of that joint venture. The carrying amount of the investment is tested for impairment at each reporting date.

Following entities have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of incorporation	% of Holding power either directly or indirectly	
			As at 31 March 2020	As at 31 March 2019
Speciality Hospitality UK Limited	Subsidiary	United Kingdom	100%	100%
Speciality Hospitality US, Inc.	Subsidiary	United States of America	100%	-
Mainland China & Indigrill Restaurant LLC	Joint venture	Qatar	49%	49%
Caterland Hospitality Ltd	Joint Venture of wholly owned subsidiaries	United Kingdom	51%	-
Foodland Ventures LLC	Joint Venture of wholly owned subsidiaries	United States of America	50.5%	-

#### c) Property, plant and equipment

All items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The carrying values of Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of an item of Property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost includes the purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, cost of replacing part of the Property, plant and equipment.

Freehold land has an unlimited useful life and therefore it is not depreciated.

Leasehold land is amortised over the duration of the lease.

Leasehold improvements are depreciated over the lower of the lease period and the group's estimate of the useful life of the Asset. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation has been provided as per Written Down Value (WDV) Method for all classes of assets except leasehold improvements wherein Straight Line Method (SLM) has been followed. The estimated useful life which is in line with Schedule II to the Act is set out herein below.

Asset	Useful life
Computers	3 - 6 years
Plant and Equipment	5 - 15 years
Vehicles	8 - 10 years

The Group has assessed the estimated useful life of furniture and fixtures as 10 years based on past experience and technical evaluation.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### d) Intangible assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. The amortizable amount of intangible assets is allocated over the best estimate of its useful life on a straight-line basis.

The Group capitalizes software costs where it is reasonably estimated that the software has an enduring useful life. Software is amortised over the management's estimate of its useful life of five years.

Patents and Trademarks are amortised uniformly over a period of five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit or Loss when the asset is derecognised.

#### e) Capital work-in-progress:

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost.

**f) Impairment of assets:**

An asset is considered as impaired in accordance with Ind AS 36 on Impairment of Assets when at the balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in Statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

**g) Revenue Recognition:**

Revenue is recognised when the Group transfers control of the promised services to the customer. The Group measures revenue, for the consideration to which the Group is expected to be entitled in exchange for transferring promised services.

Revenue from restaurant and sweet shop sales (food and beverages) is recognised upon rendering of service. Sales are net of discounts and indirect taxes.

Royalty and management fee charged to franchisees for use of the trademarks is calculated as a percentage of monthly sales of the restaurant and accrued for in line with franchisee sales.

**h) Other income:**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**i) Inventories:**

Inventories are measured at the lower of cost and net realizable value.

Cost of materials is determined by the first-in-first-out (FIFO) method. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

**j) Employee Benefits:**

Compensation to employees for services rendered is measured and accounted for in accordance with Ind AS 19 on Employee Benefits.

**Defined Contribution Plans:**

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to Statement of Profit & loss in the period in which the service is rendered.

**Defined Benefit Plans:**

Employee Benefits under defined benefit plans such as gratuity which fall due for payment after completion of employment are measured by the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Group's obligation recognised in the balance sheet represents the present value of obligations as reduced by the fair value of plan assets.

Actuarial Gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to Statement of Profit or Loss. Past service cost is recognised in Profit or Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans.

**k) Foreign currency transactions:**

The functional currency of the Company is the Indian Rupee. The treatment of foreign currency transactions are as under:

**Initial recognition**

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or using rates that closely approximate the rate at the date of the transaction.



### **Measurement at the balance sheet date**

Foreign currency monetary items of the Group, outstanding at the Balance Sheet date are translated at the rates prevailing on the reporting date.

Non monetary items measured at historical cost/fair value, are translated using the exchange rate prevailing on the date of transaction/fair value measurement respectively.

### **Treatment of exchange differences**

Exchange differences arising on transactions / translation of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

#### **l) Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Statement of Profit or Loss in the period in which they are incurred.

#### **m) Taxation:**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with income tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit or Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using applicable tax rates that have been enacted or subsequently enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

##### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realized in future; however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### **Current and Deferred Tax for the year**

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

#### **n) Earnings Per Share:**

The Group reports basic and diluted Earnings per Share (EPS) in accordance with Ind AS 33 on Earnings per Share. Basic EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

#### **o) Leases:**

Ind AS 116 was implemented with effect from 1 April, 2019 using the modified retrospective approach.

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as Lessee:**

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. The Group applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are recognised as expense in the periods in which they are incurred. The Group recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurement is adjusted to the value of the ROU assets.

**Group as a Lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

**p) Cash Flow Statement:**

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents the cash flows from operating, investing and financing activities of the Group.

Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand and unencumbered bank balances.

**q) Provisions and contingencies:**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

In the normal course of business, contingent liabilities may arise from litigations and other claims against the group. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.

A contingent asset is neither recognised nor disclosed in the financial statements.

**r) Employee share based payments:**

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of Equity settled share based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Equity settled employee benefits reserve.

**s) Financial instruments:**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit or Loss.

## **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### **Classification of financial assets:**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

### **Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Interest income is recognised in Statement of Profit or Loss and is included in the "Other income" line item.

### **Financial assets at FVTPL:**

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL. In addition, financial assets that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of Profit or Loss. The net gain or loss recognised in Statement of Profit or Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### **Investment in Joint venture and subsidiaries:**

Investment in joint venture and subsidiaries is carried at cost in the financial statements.

### **Impairment of financial assets:**

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

## **Financial liabilities and equity instruments**

### **Classification as debt or equity:**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### **Financial liabilities:**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### **Derecognition of financial instruments:**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid/payable is recognised in the Statement of Profit and Loss.

### **3 Significant accounting judgments, estimates and assumptions:**

In application of the Group's accounting policies, which are described in note 2, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **3.1 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **3.1.1 Useful lives of property, plant and equipment:**

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended 31 March 2020 and 2019, there were no changes in useful lives of property plant and equipment and intangible assets.

##### **3.1.2 Impairment of property, plant and equipment:**

The Group at the end of each reporting period, based on external and internal sources of information, assesses indicators and mitigating factors of whether a restaurant (cash generating unit) may have suffered an impairment loss. If it is determined that an impairment loss has been suffered, it is recognised in the Statement of Profit and Loss.

##### **3.1.3 Impairment of trade receivables:**

The Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer status, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

##### **3.1.4 Defined benefit plans:**

The cost and present obligation of Defined Benefit Gratuity Plan are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are made at each reporting date.

##### **3.1.5 Fair Value measurement of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility, etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments.

##### **3.1.6 Deferred tax asset:**

The Group reviews the carrying value of deferred tax asset (DTA) at the end of each reporting period. The Group has not recognised deferred tax assets arising from the carry forward of unused tax losses and tax credits since the Group does not have sufficient taxable temporary differences as well as convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Group.

##### **3.1.7 Contingencies:**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. There are certain obligations which management have concluded based on all available facts and circumstances that are not probable of payment and such obligations are treated as contingent liabilities and disclosed in the notes (unless the probability of payment is remote) but are not provided for in the financial statements.



Note 4a

Property, plant and equipment (PPE) and Intangible assets

Particulars	₹ In Millions	
	As at 31 March, 2020	As at 31 March, 2019
<b>Carrying amounts of:</b>		
Freehold Land	26.65	26.65
Leasehold Land (Refer note 2)	-	66.24
Leasehold Improvements	170.38	349.10
Plant and Equipment	172.02	188.30
Furniture and Fixtures	160.76	156.54
Computers	5.12	5.17
Vehicles (owned)	10.70	9.35
Vehicles (taken under finance lease)	-	-
<b>Total property, plant and equipment (PPE)</b>	<b>545.64</b>	<b>801.35</b>
Software	3.40	4.64
Trademark	13.21	14.06
<b>Total intangible assets</b>	<b>16.61</b>	<b>18.70</b>

₹ In Millions

Particulars	Freehold Land	Leasehold land (Refer note 2 below)	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles (owned)	Vehicles (taken under finance lease)	Total Property, Plant and Equipment (PPE)	Software	Trademark	Total Intangible Assets
<b>Cost or Deemed Cost</b>												
Balance at 31 March, 2018	26.65	67.60	713.24	357.41	304.65	13.29	22.34	2.19	1,507.37	10.45	20.48	30.93
Additions	-	-	34.39	24.44	23.91	2.66	1.55	-	86.95	2.31	9.82	12.13
Disposals	-	-	-	(1.27)	(0.21)	-	(1.70)	(2.19)	(5.37)	-	-	-
Balance at 31 March, 2019	26.65	67.60	747.63	380.58	328.35	15.95	22.19	-	1,588.95	12.76	30.30	43.06
Additions	-	-	120.16	58.22	80.41	3.72	7.53	-	270.04	0.53	4.38	4.91
Reclassification on account of adoption of Ind AS 116	-	(67.60)	-	-	-	-	-	-	(67.60)	-	-	-
Disposals	-	-	(1.61)	(3.55)	(1.05)	(0.01)	(0.82)	-	(7.04)	-	-	-
Balance at 31 March, 2020	26.65	-	866.18	435.25	407.71	19.66	28.90	-	1,784.35	13.29	34.68	47.97
<b>Accumulated depreciation / amortisation and impairment</b>												
Balance at 31 March, 2018	-	(0.92)	(250.86)	(116.94)	(124.06)	(7.81)	(9.36)	(1.15)	(511.10)	(6.07)	(10.62)	(16.69)
Eliminated on disposal of assets	-	-	-	0.52	0.08	-	0.98	1.32	2.90	-	-	-
Depreciation expenses (Refer note 1 below)	-	(0.44)	(147.67)	(75.86)	(47.83)	(2.97)	(4.46)	(0.17)	(279.40)	(2.05)	(5.62)	(7.67)
Balance at 31 March, 2019	-	(1.36)	(398.53)	(192.28)	(171.81)	(10.78)	(12.84)	-	(787.60)	(8.12)	(16.24)	(24.36)
Eliminated on disposal of assets	-	-	1.29	1.92	0.68	-	0.59	-	4.48	-	-	-
Reclassification on account of adoption of Ind AS 116	-	1.36	-	-	-	-	-	-	1.36	-	-	-
Depreciation expenses (Refer note 1 below)	-	-	(298.56)	(72.87)	(75.81)	(3.76)	(5.95)	-	(456.95)	(1.77)	(5.23)	(7.00)
Balance at 31 March, 2020	-	-	(695.80)	(263.23)	(246.94)	(14.54)	(18.20)	-	(1,238.71)	(9.89)	(21.47)	(31.36)
<b>Carrying amount</b>												
Balance at 31 March, 2019	26.65	66.24	349.10	188.30	156.54	5.17	9.35	-	801.35	4.64	14.06	18.70
Balance at 31 March, 2020	26.65	-	170.38	172.02	160.77	5.12	10.70	-	545.64	3.40	13.21	16.61

Notes:

- Depreciation for the year includes impairment charge aggregating Rs. 254.45 Million (Previous Year - Rs. 52.51 Million), current year impairment of Rs. 254.45 Million has been shown as exceptional item.
- Land represents the amount where the entity is a lessee under finance lease.

**Note 4b Right of use asset (Refer note 30)**

₹ In Millions

Particulars	Land (refer note 4a)	Building	Total
<b>Cost:</b>			
Initial Recognition	-	1,222.81	1,222.81
Reclassification on account of adoption of Ind AS 116	67.60	-	67.60
Additions	-	908.65	908.65
Disposals/Transfers	-	(804.23)	(804.23)
<b>As at 31st March 2020</b>	<b>67.60</b>	<b>1,327.23</b>	<b>1,394.83</b>
<b>Accumulated Amortisation:</b>			
Reclassification on account of adoption of Ind AS 116	1.36	-	1.36
Additions	0.44	529.45	529.89
Disposals/Transfers	-	(134.62)	(134.62)
<b>As at 31st March 2020</b>	<b>1.80</b>	<b>394.83</b>	<b>396.63</b>
Net Book Value			
<b>As at 31st March 2020</b>	<b>65.80</b>	<b>932.40</b>	<b>998.20</b>

**Notes:**

- Depreciation for the year includes impairment charge aggregating Rs. 164.54 Million (Previous Year - Rs. Nil), current year impairment of Rs. 164.54 Million has been shown as exceptional item.

**Note 5 Investments**

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Qty.	Amount	Qty.	Amount
<b>Non-Current</b>				
<b>Unquoted investment carried at cost</b>				
a) Investment in Equity instruments				
- Investment in joint venture (Mainland China Restaurant (LLC)) of QAR 1,000 each	490	-	490	-
Less: Impaired		-		-
- Investment in joint venture (M/s. Caterland Hospitality Ltd) of GBP 1 each	7,65,000	70.20	-	-
- Investment in joint venture (Foodland Ventures LLC) of USD 1 each	75,000	5.65	-	-
<b>Total Investments Carrying Value</b>	<b>8,40,490</b>	<b>75.85</b>	<b>490</b>	<b>-</b>
Aggregate Carrying Value of unquoted investment at cost		75.85		-
Aggregate amount of impairment in value of investment in joint venture		-		-

**Note 6 Other investments**

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Units	Amount	Units	Amount
<b>Non-Current</b>				
<b>Unquoted</b>				
a) Investment in Government or Trust Securities (at cost) (NSC- Held in the name of a Director of the Company (nominee) and deposited with the Government Authorities)	-	0.20	-	0.19
b) Investment in corporate bonds (at FVTPL)	-	-	50	49.44
<b>Total non-current investments</b>	<b>-</b>	<b>0.20</b>	<b>50</b>	<b>49.63</b>
Aggregate Carrying Value of unquoted investments at Cost		0.20		0.19
Aggregate Carrying Value of unquoted investments at FVTPL		-		49.63



Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Units	Amount	Units	Amount
<b>Current</b>				
<b>Unquoted</b>				
a) Investment in Mutual Funds (at FVTPL)				
- Aditya Birla Sunlife Floating Rate - Long Term - Growth Direct Plan	-	-	2,67,996	99.63
- ICICI Equity Arbitrage Fund - Direct Growth	-	-	43,65,468	110.22
- Kotak Equity Arbitrage Fund - Direct Plan Growth	-	-	43,36,672	117.97
- Reliance Arbitrage Advantage Fund - Growth Plan	-	-	23,62,166	44.73
- SBI Magnum Ultra Sdf - Direct Plan - Growth	14,771	66.17	-	-
- SBI Saving Fund-Regular Plan -Growth	16,17,893	50.15	-	-
- SBI Liquid Fund Regular - Growth	3,278	10.14	-	-
- SBI Liquid Fund Direct Growth	1,320	4.10	56	0.16
- SBI Overnight Fund- Direct Plan - Growth	510	1.66	510	1.58
- SBI Saving Fund-Direct Plan -Growth	1,22,69,724	397.13	42,81,149	128.65
- HDFC Ultra Short Term Fund - Regular Growth	31,04,345	34.79	1,23,52,108	129.17
b) Investment in PFCL corporate bonds (at FVTPL)	50	50.14	-	-
<b>Total current investments</b>	<b>1,70,11,891</b>	<b>614.28</b>	<b>2,79,66,125</b>	<b>632.11</b>
Aggregate Carrying Value of unquoted investments (at FVTPL)		614.28		632.11

#### Note 7 Loans

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current (unsecured)</b>		
a) Loans to related party	-	-
b) Loans to employees	14.39	13.83
c) Security and other deposits	190.29	304.17
Credit impaired	-	4.85
Less: Allowance for doubtful receivables	-	(4.85)
	190.29	304.17
<b>Total</b>	<b>204.68</b>	<b>318.00</b>
<b>Current (unsecured)</b>		
a) Loans to employees	6.35	4.44
b) Security and other deposits		
Considered good	197.81	30.27
Credit impaired	2.00	-
Less: Allowance for doubtful receivables	(2.00)	-
	197.81	30.27
<b>Total</b>	<b>204.16</b>	<b>34.71</b>

**Note 8 Other financial assets (unsecured)**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Others		
- Reimbursement of expenses		
Considered good		
Credit impaired	48.85	47.73
Less: Allowance for doubtful receivables	(48.85)	(47.73)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
a) Other recoverables		
Considered good	9.25	9.41
b) Reimbursement of expenses		
Considered good	30.19	27.77
<b>Total</b>	<b>39.44</b>	<b>37.18</b>

**Note 9 Other assets (unsecured, considered good unless otherwise stated)**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Capital advances	41.80	19.33
b) Advances to suppliers and others		
Credit impaired	3.57	3.57
Less: Allowance for doubtful receivables	(3.57)	(3.57)
	-	-
c) Others		
- Prepaid expenses and others	5.47	2.01
Credit impaired	13.10	13.10
Less: Allowance for doubtful receivables	(13.10)	(13.10)
	5.47	2.01
d) Advances to related party		
Credit impaired	7.34	7.34
Less: Allowance for doubtful receivables	(7.34)	(7.34)
	-	-
e) Deferred rent	81.57	92.08
f) Balances with government authorities	64.37	66.61
g) Advance income tax (net of provision - Rs. 270.53 million) (As at 31 March, 2019 - Rs. 279.53 million)	71.59	61.78
<b>Total</b>	<b>264.80</b>	<b>241.81</b>
<b>Current</b>		
a) Advances to suppliers and others	29.07	25.72
b) Others		
- Prepaid expenses and others		
Considered good	23.06	63.84
c) Deferred Rent	23.13	32.04
d) Balances with government authorities	3.93	2.30
<b>Total</b>	<b>79.19</b>	<b>123.90</b>





**Note 10 Inventories**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Inventories (lower of cost and net realisable value)</b>		
- Food and beverage items	69.59	60.91
- Others	3.05	5.21
- Stock in transit	1.12	0.70
<b>Total</b>	<b>73.76</b>	<b>66.82</b>

The mode of valuation of inventories has been stated in note 2(i)

**Note 11 Trade Receivables**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
(Unsecured)		
a) Trade receivables		
Considered good	23.10	53.92
Credit impaired	57.64	61.08
	80.74	115.00
Less: Allowance for credit impaired	(57.64)	(61.08)
<b>Total</b>	<b>23.10</b>	<b>53.92</b>

**Note 12 Cash and Cash Equivalents and other bank balances**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) <b>Balances with Banks</b>		
i) In current accounts	9.12	58.05
ii) In fixed deposits accounts	5.04	43.68
b) Cash on hand	2.53	8.12
<b>Cash and cash equivalents</b>	<b>16.69</b>	<b>109.85</b>
<b>Bank balances other than above</b>		
a) <b>In earmarked accounts</b>		
i) Unpaid dividend accounts	0.13	0.13
b) Fixed deposits under lien	0.69	0.67
<b>Total</b>	<b>0.82</b>	<b>0.80</b>

**Note 13 Equity share capital**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Authorised Share Capital</b>		
<b>13.1 Equity share capital</b>		
5,10,00,000 fully paid equity shares of Rs. 10 each	510.00	510.00
<b>Preference share capital</b>		
70,00,000 fully paid compulsorily convertible preference shares of Rs. 10 each	70.00	70.00
<b>13.2 Issued, subscribed capital and fully paid up:</b>		
4,69,57,657 fully paid equity shares of Rs. 10 each (Of the above shares 66,89,118 (Previous year - 66,89,118) equity shares are allotted as fully paid-up on conversion of compulsorily convertible preference shares)	469.58	469.58
<b>Total</b>	<b>469.58</b>	<b>469.58</b>

**13.3 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Number of shares outstanding as at the beginning and at the end of the year	4,69,57,657	4,69,57,657

#### 13.4 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### 13.5 Shares reserved for issue under options (Refer note 32)

Particulars	As at 31 March, 2020	As at March 31, 2019
Number of shares outstanding as at the end of the year	92,350	1,88,400

#### 13.6 Details of shares held by each shareholder holding more than 5% shares in the company are set out below

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Anjan Chatterjee	1,20,70,000	25.70%	1,20,70,000	25.70%
Suchhanda Chatterjee	1,19,70,000	25.49%	1,19,70,000	25.49%
Deepak Bhagnani	27,81,334	5.92%	42,08,496	8.96%

#### Note 14 Other equity

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Capital reserve	1.67	1.67
b) Securities premium reserve	1,626.50	1,626.50
c) Share options outstanding account	9.41	10.91
d) Retained earnings	(470.92)	85.94
e) Foreign currency translation reserve	1.88	(0.88)
<b>Total</b>	<b>1,168.54</b>	<b>1,724.14</b>

#### 14.1 Capital Reserve

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year Ended 31 March, 2019
Balance at the beginning of year	1.67	1.67
Movement during the year	-	-
<b>Balance at end of the year</b>	<b>1.67</b>	<b>1.67</b>

This reserve represents money received against share warrants forfeited, option not exercised by warrant holders.

#### 14.2 Securities premium reserve

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year ended 31 March, 2019
Balance at the beginning of year	1,626.50	1,626.50
Movement during the year	-	-
<b>Balance at end of the year</b>	<b>1,626.50</b>	<b>1,626.50</b>

Securities premium reserve is used to record the premium received on issue of shares. The securities premium can be utilised only in accordance with the provisions of the Companies Act, 2013.

#### 14.3 ESOP outstanding account

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year ended 31 March, 2019
Balance at the beginning of year	10.91	12.93
(Income)/expenses recognised in respect of equity-settled shared based payments	(1.50)	(2.02)
<b>Balance at end of the year</b>	<b>9.41</b>	<b>10.91</b>

The above reserve relates to share options granted by the Company to certain employees under its employee share option plan. Further information about share based payments to employees is set out in note 32

**14.4 Retained earnings**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year ended 31 March, 2019
Balance at the beginning of year	85.94	168.51
Loss as per Statement of Profit and Loss	(379.99)	(78.11)
On account of Ind AS 116 transition	(169.93)	-
Other comprehensive income for the year	(6.94)	(4.46)
<b>Balance at end of the year</b>	<b>(470.92)</b>	<b>85.94</b>

**14.5 Foreign currency translation reserve**

₹ In Millions

Particulars	Year Ended 31 March, 2020	Year ended 31 March, 2019
Balance at the beginning of year	(0.88)	-
Exchange differences arising on translating the foreign operations	2.76	(0.88)
<b>Balance at end of the year</b>	<b>1.88</b>	<b>(0.88)</b>

**Note 15 Trade payables**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Trade payables	339.73	415.87
<b>Total</b>	<b>339.73</b>	<b>415.87</b>

**15.1 Total outstanding dues of micro enterprises and small enterprises**

Disclosures relating to amounts payable as at the year-end together with interest paid/payable to Micro and Small Enterprise have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosures are given below.

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.21	0.88
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>0.21</b>	<b>0.88</b>

**Note:**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**Note 16 Other financial liabilities**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Non-Current</b>		
a) Rent payable	-	86.59
b) Lease liability on right of use asset	1,091.55	-
c) Security deposit received	18.38	23.10
<b>Total</b>	<b>1,109.93</b>	<b>109.69</b>
<b>Current</b>		
a) Unpaid dividends	0.13	0.13
b) Other payables		
- Unwinding effect of deposit received	5.57	-
- Payables for purchase of property, plant and equipment	36.79	19.31
- Salary payable	53.56	-
- Rent payable	-	2.84
- Lease liability on right of use asset	186.59	-
<b>Total</b>	<b>282.64</b>	<b>22.28</b>

**Note 17 Long Term Provision**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Payable on account of gratuity (net)	48.90	33.26
<b>Total</b>	<b>48.90</b>	<b>33.26</b>

**Note 18 Other current liabilities**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Advances received from customers	-	2.86
b) Others		
- Statutory remittances	37.04	37.43
- Book Overdraft	0.60	-
- Share of losses in joint venture company	11.67	11.67
- Others	20.03	14.29
<b>Total</b>	<b>69.34</b>	<b>66.25</b>

**Note 19 Revenue from operations**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Sale of services</b>		
a) Income from sale of food and beverages	3,523.57	3,397.82
b) Royalty and management fees from franchisees	40.80	40.22
c) Others	13.47	25.60
<b>Total</b>	<b>3,577.84</b>	<b>3,463.64</b>



**Note 20 Other Income**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>a) Interest Income</b>		
- Bank deposits (at amortised cost)	0.84	1.16
- Other financial assets carried at amortised cost	6.38	12.67
- Other financial assets carried at FVTPL	-	1.93
- Interest of security deposits given measured at amortised cost	38.36	33.26
	<b>45.58</b>	<b>49.02</b>
<b>b) Dividend income</b>		
- Dividend on mutual funds	-	0.02
	<b>-</b>	<b>0.02</b>
<b>c) Other gains and losses</b>		
- Gain on disposal of property, plant and equipment (net)	0.22	0.24
- Gain on lease modification / termination	6.18	-
- Gain on sale of current investments (net)	59.91	29.03
- Gain/ (loss) arising on remeasurement of financial assets designated as at FVTPL (net)	(17.81)	15.41
	<b>48.50</b>	<b>44.68</b>
<b>d) Miscellaneous income</b>		
- Miscellaneous income	8.66	0.83
	<b>8.66</b>	<b>0.83</b>
<b>Total</b>	<b>102.74</b>	<b>94.55</b>

**Note 21 Cost of materials consumed**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Food &amp; Beverages</b>		
Opening stock	61.61	66.02
Add: Purchases	1,143.93	1,084.68
	1,205.54	1,150.70
Less: Closing stock	(70.70)	(61.61)
<b>Total</b>	<b>1,134.84</b>	<b>1,089.09</b>

**Note 22 Employee benefits expense**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Salaries and wages	702.34	705.85
b) Contribution to provident and other funds (Refer note 31)	61.79	59.17
c) (Income)/expenses recognised in respect of equity-settled shared based payments (Refer note 32)	(1.50)	(2.02)
d) Staff welfare expenses	57.59	55.77
<b>Total</b>	<b>820.22</b>	<b>818.77</b>

**Note 23 Finance costs**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Interest costs</b>		
a) Interest on obligations under finance leases	-	0.00
b) Unwinding effect of deposit received - Interest	2.05	-
c) Interest on lease liability	209.42	-
<b>Total</b>	<b>211.47</b>	<b>0.00</b>



**Note 24 Depreciation and amortisation expense**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Depreciation of property, plant and equipment (Refer note 4a)	202.50	279.40
b) Amortisation of intangible assets (Refer note 4a)	7.00	7.67
c) Depreciation - right of use asset (Refer note 4b)	365.35	-
<b>Total</b>	<b>574.85</b>	<b>287.07</b>

**Note 25 Impairment losses on financial assets and reversal of impairment on financial assets**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Impairment loss allowance on trade receivables	-	4.30
b) Impairment loss allowance on other financial assets carried at amortised cost	1.89	32.85
<b>Total</b>	<b>1.89</b>	<b>37.15</b>

**Note 26 Other expenses**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
a) Rent (Refer note 30)	120.61	633.54
b) Power and fuel	203.76	200.41
c) Rates, taxes and licence fee	167.88	70.56
d) Operating supplies	94.36	80.05
e) Insurance	4.72	3.95
f) Advertising and marketing expenses (net of recoveries)	112.16	68.70
g) Payment to Auditors (Refer note 26.1 below)	3.32	5.18
h) Repairs and maintenance - Machinery	37.82	37.03
i) Repairs and maintenance - Building	124.22	113.45
j) Repairs and maintenance - Others	21.39	30.93
k) Miscellaneous expenses	161.02	150.09
<b>Total</b>	<b>1,051.26</b>	<b>1,393.89</b>

**26.1 Payments to auditors**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
- As auditor - statutory audit	2.89	3.75
- For tax audit	0.35	0.40
- For other services	0.08	0.92
- For reimbursement of expenses	-	0.11
<b>Total</b>	<b>3.32</b>	<b>5.18</b>

**Note 27 Contingent liabilities (to the extent not provided for)**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>Claims against the Group not confirmed as debts</b>		
a. Legal cases against the Company	166.16	166.16
b. Sales tax demands	122.69	121.88
c. Income tax demands	0.92	0.92
d. Service tax demands	201.53	201.53
<b>Total</b>	<b>491.30</b>	<b>490.49</b>



**Note 28 Commitments**

₹ In Millions

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	136.16	88.93
b) Investment in Foodland Ventures LLC	32.42	-
<b>Total</b>	<b>168.58</b>	<b>88.93</b>

**Note 29 Earnings per share (EPS)**

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Net Profit after Tax for Equity Shareholders for Basic EPS & Diluted EPS	(379.99)	(78.11)
Weighted Average Number of Equity Shares for Basic Earnings per share	4,69,57,657	4,69,57,657
Add: Effect of ESOP's	-	-
Weighted Average Number of Equity Shares for Diluted Earnings per share	4,69,57,657	4,69,57,657
Basic Earnings Per Share (in Rs.)	(8.09)	(1.66)
Diluted Earnings Per Share (in Rs.)	(8.09)	(1.66)
Nominal value per share (in Rs.)	10	10

**Note 30 Leases****Company as Lessee**

The Group has entered into certain arrangements in the form of leases for its retail business. As per terms, the Group's obligation could be fixed or purely variable or variable with minimum guarantee payment for use of property.

During the year the Group has paid fixed lease rent of Rs. 501.27 Millions which has been considered in the calculation of lease liabilities and right of use assets as per Ind AS 116. In addition to fixed rent the Group has paid variable lease rentals (primarily w.r.t properties), relating to lease of low value assets & certain services which are short term in nature amounting to Rs. 120.61 Millions (including Rs. 31.77 Millions of rent on unwinding of deposits) which has not been considered in calculation right of use asset and lease liabilities under Ind AS 116.

**Note on Adoption of Ind AS 116 Leases**

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 1,222.81 Million and a lease liability of Rs. 1,482.19 million. The cumulative effect of applying the standard, amounting to Rs. 169.93 Million (net of Rs. 89.42 Millions towards rent equalisation reserve) was debited to retained earnings.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 33 of the Standalone financial statements forming part of the 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 11%.

**Impact on Profit and Loss statement :** In the Statement of Profit & Loss, the nature of expense for operating leases has changed from lease rent in the previous year to depreciation cost for the ROU assets and finance cost for interest accrued on lease liabilities. The net effect of Ind AS 116 on the standalone profit before tax for year is an adverse impact rent of of Rs. 120.61 Millions (including Rs. 31.77 Millions of rent on unwinding of deposits) towards premises having variable rent or revenue share, interest impact of Rs. 209.42 Millions and depreciation on right of use assets of Rs. 365.35 Millions.

**Impact on the Cash flow statement:** Instead of fixed operating lease expenses Rs. 501.27 Millions payment of lease liability including interest of Rs. 357.49 Millions has been shown as financing activity. Consequently, cash flow from operating activities and financing activities have shown significant impacted by this revised approach required by the Standard.

**Impact on Financial ratios:** Interest on lease liabilities is included in finance cost and lease liabilities is included in borrowings. Consequently, financial ratios like debt equity ratio, interest coverage ratio, debt services coverage ratio etc. have been significantly impacted following the adoption of Ind AS 116.

**Note 31 Employee benefit plans**

**31.1 Defined contribution plans:**

The Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the company with respect to the retirement benefit plan is to make the specified contribution. The total expense recognised in the Statement of Profit and Loss represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

The Company has recognised the following amounts as expense in the Statement of Profit and Loss:

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Contribution to provident fund	34.93	30.74
Contribution to employees' state insurance corporation	14.78	18.17
Contribution to labour welfare fund	0.15	0.14
<b>Total</b>	<b>49.86</b>	<b>49.05</b>

**31.2 Defined benefit plans:**

The gratuity scheme is a defined benefit plan that provides for a lump sum payment to the employees on exit either by way of retirement, death, disability or voluntary withdrawal. Under the scheme, the employees are entitled to a lump sum amount aggregating to 15 days final basic salary for each year of completed service payable at the time of retirement/resignation, provided the employee has completed 5 years of continuous service. The defined benefit plan is administered by a third-party insurer. The third-party insurer is responsible for the investment policy with regards to the assets of the plan.

**31.3 The plan exposes the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.**

Investment risk:	The return on investments will impact the position of the defined benefit plan liability. If the return falls, net benefit obligation will increase the value of the liability.
Interest rate risk:	The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will increase the value of the liability
Salary Inflation risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary in higher proportion of the plan participants will increase the plan's liability.

**31.4 The disclosure as required under Ind AS 19 as per actuarial valuation regarding Employee Retirement Benefits Plan for Gratuity is as follows:**

**(a) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Discount rate(s)	6.40%	7.15%
Expected rate(s) of salary increase	4.50%	4.50%

**Discount Rate:**

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary Escalation Rate**

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors





(b) Amounts recognised in the Statement of Profit and Loss in respect of these defined benefit plans are as follows.

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current service cost	10.74	9.36
Past service cost	-	-
Interest on net defined benefit liability / (asset)	1.19	0.75
<b>Components of defined benefit costs recognised in Statement of Profit or Loss</b>	<b>11.93</b>	<b>10.11</b>
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	1.97	1.34
Actuarial gain arising from changes in demographic assumptions	-	(0.03)
Actuarial losses/(gains) arising from changes in financial assumptions	4.09	2.06
Actuarial losses/(gains) arising from experience adjustments	0.89	1.09
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>6.95</b>	<b>4.46</b>
<b>Total</b>	<b>18.88</b>	<b>14.57</b>

The current service cost / past service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(c) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Present value of funded defined benefit obligation	68.93	59.74
Fair value of plan assets	20.03	26.48
<b>Net liability arising from defined benefit obligation</b>	<b>48.90</b>	<b>33.26</b>

(d) Movements in the present value of the defined benefit obligation are as follows.

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening defined benefit obligation	59.74	52.25
Current service cost	10.74	9.36
Past service cost	-	-
Interest cost	3.91	3.59
Remeasurement due to:-		
Actuarial gain arising from changes in demographic assumptions	-	(0.03)
Actuarial losses/(gains) arising from changes in financial assumptions	4.08	2.06
Actuarial losses/(gains) arising from experience adjustments	0.89	1.09
Benefits paid	(10.43)	(8.58)
<b>Closing defined benefit obligation</b>	<b>68.93</b>	<b>59.74</b>

(e) Movements in the fair value of the plan assets are as follows.

₹ In Millions

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Opening fair value of plan assets	26.48	32.45
Interest income	2.72	2.83
Remeasurement due to:-		
Return on plan assets (excluding amounts included in net interest expense)	(1.97)	(1.34)
Contributions from the employer	3.23	1.12
Benefits paid	(10.43)	(8.58)
<b>Closing fair value of plan assets</b>	<b>20.03</b>	<b>26.48</b>

(f) Breakup of Plan Assets

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Insurer Managed Funds (unquoted)	100%	100%

The Company expects to make a contribution of Rs. 48.90 Million (as at 31 March, 2019: Rs. 33.26 Million) to the defined benefit plans during the next financial year.

(g) Sensitivity Analysis

**Method used for sensitivity analysis:**

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are the discount rate and the future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

**Discount Rate**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Discount Rate</b>		
Impact of increase in 50 bps on defined benefit obligation	(4.03)	(2.29)
Impact of decrease in 50 bps on defined benefit obligation	4.35	2.46

**Salary escalation rate**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Salary escalation rate</b>		
Impact of increase in 50 bps on defined benefit obligation	4.41	2.51
Impact of decrease in 50 bps on defined benefit obligation	(4.12)	(2.35)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior periods in preparing the sensitivity analysis.

**Note 32 Employee Stock Option Scheme (ESOS)**

**32.1** During the FY 2013-14, the Board Governance & Remuneration committee in its meeting held on 6 September, 2013 granted 577,200 stock options under the Speciality Restaurants Limited - Employee Stock Option Scheme 2012 (ESOP 2012 Scheme) to a few eligible employees of the Company. The options allotted under the ESOP 2012 scheme are convertible into equal number of equity shares of the face value of Rs. 10 each.

Each Option entitles the holder thereof to apply for and be allotted one equity share of the Company of Rs. 10 each upon payment of the exercise price during the exercise period. The option would vest in 4 annual instalments after one year of the grant. The exercise period commences from the date of vesting of the options and expires at the end of six years from the date of grant and would not exceed 3 years from the date of vesting in respect of Options granted under the ESOP 2012 Scheme.

**The vesting period for conversion of Options is as follows:**

On completion of 12 months from the date of grant of option	25% vests
On completion of 24 months from the date of grant of option	25% vests
On completion of 36 months from the date of grant of option	25% vests
On completion of 48 months from the date of grant of option	25% vests

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.



There were no modifications to the awards during the year ended 31 March, 2020 and 31 March, 2019. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Options	Weighted average exercise price (Rs.)	No. of Options	Weighted average exercise price (Rs.)
<b>Options granted under ESOS 2012</b>				
Options outstanding at the beginning of the year	1,88,400	126.20	3,37,500	126.20
Options granted during the year	-	-	-	-
Options forfeited during the year	3,700	126.20	36,600	126.20
Options exercised during the year	-	-	-	-
Options expired during the year	92,350	126.20	1,12,500	126.20
Options outstanding at the end of the year	92,350	126.20	1,88,400	126.20
Options exercisable at the end of the year	92,350		1,88,400	
Exercise price of outstanding options as per ESOS scheme (Rs.)	126.20		126.20	
Remaining contractual life of outstanding options (years)	0.44 years		0.94 years	

### 32.2 Fair value of share options granted in the year

There are no new grants during the financial year 2019-20

## Note 33 Financial Instruments

### 33.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The Group does not have any borrowing outstanding as at the year end. The Group is not subject to any externally imposed capital requirements.

### 33.2 Categories of financial instruments

₹ In Millions

Particulars	As at	
	31 March, 2020	31 March, 2019
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and cash equivalents	16.69	109.85
(b) Bank balance other than covered in (a) above	0.82	0.80
(c) Trade Receivables	23.10	53.92
(d) Loans	408.85	352.72
(e) Other financial assets	39.44	39.44
(f) Other investment	0.20	0.19
<b>Measured at FVTPL</b>		
(a) Investment in mutual funds	564.15	632.11
(b) Investment in corporate bonds	50.14	49.44
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Trade Payables	339.73	415.87
(b) Other financial liabilities	1,392.57	131.97

### 33.3 Financial risk management objectives

The Group's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Group's principal financial assets include trade and other receivables and cash and short-term deposits that are derived directly from its operations. Current investments are optimal deployment of excess funds.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk). The Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimize potential adverse effects of such risks on the company's operational and financial performance.

#### 33.3.1 Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The credit risk for the Group primarily arises from credit exposures to trade receivables (mainly franchisees), deposits with landlords for restaurant properties taken on lease and other receivables.

Trade and other receivables: The Group's business is predominantly through cash and credit card collections. The credit risk on credit card collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of franchisees and the credit risk exposure for them is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for restaurant properties taken on leases, for which agreements are signed and property possessions timely taken for restaurant operations. The risk relating to refunds after vacating or restaurant shut down is minimal since the possession of the premises is retained till the refund is collected or there are liabilities outstanding against which the asset can be adjusted.

### 33.3.2 Liquidity risk management

The Group's principal sources of liquidity are cash and cash equivalents, cash flow generated from operations and by churning of current investments. The Group does not have any borrowing outstanding as at the year end. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

#### Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

₹ In Millions

Particulars	Less than 1 year	1 - 3 years	3 - 5 years	5 years and above	Total
<b>31 March, 2020</b>					
Trade Payables	339.73	-	-	-	339.73
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	36.79	-	-	-	36.79
Lease liability	186.59	373.15	317.53	400.87	1,278.14
Security deposit received	-	3.10	21.25	-	24.35
<b>Total</b>	<b>563.24</b>	<b>376.25</b>	<b>338.78</b>	<b>400.87</b>	<b>1,679.14</b>
<b>31 March, 2019</b>					
Trade Payables	415.87	-	-	-	415.87
Unpaid dividends	0.13	-	-	-	0.13
Payables for purchase of property, plant and equipment	19.31	-	-	-	19.31
Rent payable	2.84	18.19	31.95	36.44	89.42
Security deposit received	-	3.10	20.00	-	23.10
<b>Total</b>	<b>438.15</b>	<b>21.29</b>	<b>51.95</b>	<b>36.44</b>	<b>547.83</b>

### 33.3.3 Market Risk

The Company is exposed to market risks associated with foreign currency rates and commodity prices.

#### Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. The exchange gains or losses are recognised in Statement of Profit or Loss on the date of settlement and restatement at quarterly intervals.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	₹ In Millions	In foreign currency	₹ In Millions	In foreign currency
<b>Amounts receivable in foreign currency on account of the following:</b>				
Royalty and Management fees receivable	8.83	USD 120,088	12.21	USD 171,635
Reimbursement of Expenses	2.09	USD 33,938	2.12	USD 34,494
Reimbursement of Expenses	1.19	GBP 12,804	-	-
<b>Total</b>	<b>12.11</b>		<b>14.33</b>	
<b>Amounts payable in foreign currency on account of the following:</b>				
Professional fees	1.64	USD 21,767.44	0.83	USD 11,966
Professional fees	0.34	GBP 3,705	2.28	GBP 25,167
Professional fees	0.11	EURO 1,266	-	-
<b>Total</b>	<b>2.09</b>		<b>3.11</b>	



The Company's exchange risk arises from its foreign currency revenues and expenses.

As a result, if the value of the Indian Rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian Rupees will decrease. The exchange rate between the Indian Rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Due to lesser quantum of revenue and expenses from foreign currencies, the Company is not significantly exposed to foreign currency risk.

#### Commodity Price Risk:

The Company purchases certain products, including meat, cheese, vegetables and other commodities which are subject to price volatility that is caused by weather, market conditions and other factors that are not considered predictable or within the Company's control. The Company's supplies and raw materials are available from several sources, and not dependent upon any single source for these items. If any existing suppliers fail or are unable to deliver in quantities required by the Company, the Company believes that there are sufficient other quality suppliers in the marketplace such that the Company sources of supply can be replaced as necessary.

#### Foreign Currency Sensitivity:

The following tables demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ In Millions

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Receivable USD	0.58	(0.58)	0.72	(0.72)
Receivable GBP	0.06	(0.06)	-	-
Payable USD	(0.08)	0.08	(0.04)	0.04
Payable GBP	(0.01)	0.01	(0.11)	0.11
Payable EURO	(0.01)	0.01	-	-

### 33.4 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 33.4.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ In Millions

Sr. No.	Financial assets	Fair value as at		Fair value hierarchy
		31 March, 2020	31 March, 2019	
1	Investments in Mutual funds	564.14	632.11	Level 1
2	Investment in Corporate bond	50.14	49.44	Level 1

#### 33.4.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors are of the belief that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

### Note 34

#### Segment information

The principal business of the Group is operating food outlets/ sweet shops. All other activities of the Group revolve around its principal business. The Chairman & Managing Director (CMD) of the Group, has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. Therefore, directors have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments. The Group predominantly operates in one geography i.e. India.

**Note 35**

**Related Party Disclosures**

**List of Related parties and their relationships**

Sr. No	Category of related parties	Names
1	Promoters	Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee
2	Key management personnel	<b>Executive Directors</b> Mr. Anjan Chatterjee Mrs. Suchhanda Chatterjee Mr. Indroneil Chatterjee Mr. Avik Chatterjee (Son of Mr. Anjan Chatterjee) (Appointed w.e.f. February 3, 2020) <b>Non Executive Directors</b> Mr. Rakesh Pandey Mr. Ullal Ravindra Bhat Mr. Dushyant Mehta Dr. Anita Bandyopadhyay (Appointed w.e.f. February 3, 2020)
3	Relative of Promoters	Mrs. Harshita Deshpande (Daughter of Mr. Anjan Chatterjee)
4	Enterprises over which directors or relatives of directors exercise control / significant influence	Situations Advertising & Marketing Services Private Limited Shruthi Hotels Enterprises Private Limited Prosperous Promoters Private Limited Havik Export (P)Limited Supriya Taxtrade Private Limited Span Promotions Private Limited Mainland Restaurants Private Limited Anjan Chatterjee - HUF Indroneil Chatterjee - HUF
5	Jointly Ventured Company	Mainland China Restaurant & Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
6	Joint Venture of wholly owned subsidiaries	Caterland Hospitality Ltd (incorporated on July 18, 2019) Foodland Ventures LLC (incorporated on October 7, 2019)

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Joint Venture Company/ Joint Venture of wholly owned subsidiaries	Total
<b>Transactions during the year ended 31 March 2020</b>					
<b>Remuneration (Refer note 2 below)</b>					
Mr. Anjan Chatterjee	5.75	-	-	-	5.75
	(6.00)	-	-	-	(6.00)
Mrs. Suchhanda Chatterjee	2.01	-	-	-	2.01
	(2.10)	-	-	-	(2.10)
Mr. Indroneil Chatterjee	2.13	-	-	-	2.13
	(2.10)	-	-	-	(2.10)
Mr. Avik Chatterjee	0.23	1.00	-	-	1.23
	-	(1.20)	-	-	(1.20)
Mrs. Harshita Deshpande	-	-	-	-	-
	-	(0.13)	-	-	(0.13)
<b>Total</b>	<b>10.12</b>	<b>1.00</b>	-	-	<b>11.12</b>
	<b>(10.20)</b>	<b>(1.33)</b>	-	-	<b>(11.53)</b>



Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Joint Venture Company/ Joint Venture of wholly owned subsidiaries	Total
<b>Sitting Fees paid to Non Executive Directors</b>					
Mr. Rakesh Pandey	0.62 (0.32)	-	-	-	0.62 (0.32)
Mr. Ullal Ravindra Bhat	0.64 (0.34)	-	-	-	0.64 (0.34)
Mr. Dushyant Mehta	0.62 (0.36)	-	-	-	0.62 (0.36)
<b>Total</b>	<b>1.88</b> <b>(1.02)</b>	-	-	-	<b>1.88</b> <b>(1.02)</b>
<b>Rent and other expenses paid</b>					
Situations Advertising & Marketing Services Private Limited					
- Rent	-	-	35.48 (35.60)	-	35.48 (35.60)
- Retainership Fees	-	-	1.42 (1.42)	-	1.42 (1.42)
- Advertisement Expenses	-	-	3.89 (2.78)	-	3.89 (2.78)
- Reimbursement of Expenses	-	-	11.13 (11.11)	-	11.13 (11.11)
Prosperous Promoters Private Limited	-	-	-	-	-
Others	3.09 (3.09)	-	(2.95) 5.58 (3.56)	-	(2.95) 8.67 (6.65)
<b>Expenses incurred on behalf of related party</b>					
Caterland Hospitality Ltd.					
Expenses incurred on behalf of Joint Venture of wholly owned subsidiary	-	-	-	2.73	2.73
	-	-	-	-	-
<b>Total</b>	<b>3.09</b> <b>(3.09)</b>	-	<b>57.50</b> <b>(57.42)</b>	<b>2.73</b>	<b>63.32</b> <b>(60.51)</b>
<b>Security deposits given</b>					
Situations Advertising & Marketing Services Private Limited	-	-	- (0.50)	-	- (0.50)
<b>Total</b>	-	-	<b>(0.50)</b>	-	<b>(0.50)</b>
<b>Balances as at 31 March 2020</b>					
<b>Other payables</b>					
Situations Advertising & Marketing Services Private Limited	-	-	8.68 (6.66)	-	8.68 (6.66)
Prosperous Promoters Private Limited	-	-	1.55 (1.55)	-	1.55 (1.55)
Others	1.85 (2.11)	0.07 (0.09)	2.55 (2.55)	-	4.47 (4.75)
<b>Total</b>	<b>1.85</b> <b>(2.11)</b>	<b>0.07</b> <b>(0.09)</b>	<b>12.78</b> <b>(10.76)</b>	-	<b>14.70</b> <b>(12.96)</b>

Nature of the transaction	Key Management personnel	Relative of Promoters	Enterprises over which directors or relative of promoters exercise control / significant influence	Joint Venture Company/ Joint Venture of wholly owned subsidiaries	Total
<b>Security deposits given</b>					
Situations Advertising & Marketing Services Private Limited	-	-	51.62	-	51.62
	-	-	(51.62)	-	(51.62)
Prosperous Promotors Private Limited	-	-	28.11	-	28.11
	-	-	(28.11)	-	(28.11)
Others	3.00	-	9.10	-	12.10
	(3.00)	-	(9.10)	-	(12.10)
<b>Total</b>	<b>3.00</b>	-	<b>88.83</b>	-	<b>91.83</b>
	<b>(3.00)</b>	-	<b>(88.83)</b>	-	<b>(91.83)</b>
<b>Franchisee Income Receivable (Refer note 3 below)</b>					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	3.30	3.30
	-	-	-	(3.30)	(3.30)
<b>Total</b>	-	-	-	<b>3.30</b>	<b>3.30</b>
	-	-	-	<b>(3.30)</b>	<b>(3.30)</b>
<b>Advance to Joint Venture Company (Refer note 3 below)</b>					
Mainland China Restaurant & Indigrill Restaurant LLC	-	-	-	12.50	12.50
	-	-	-	(12.50)	(12.50)
<b>Total</b>	-	-	-	<b>12.50</b>	<b>12.50</b>
	-	-	-	<b>(12.50)</b>	<b>(12.50)</b>
<b>Loan given to Joint Venture Company (Refer note 3 below)</b>					
<b>Receivable for expenses incurred on behalf of Joint Venture of wholly owned subsidiaries</b>					
Speciality Hospitality UK Limited	-	-	-	2.55	2.55
	-	-	-	-	-
<b>Total</b>	-	-	-	<b>2.55</b>	<b>2.55</b>
	-	-	-	-	-

#### Notes

- Figures in paranthesis relate to the corresponding previous year figures in relation to the Statement of Profit and Loss and the figures as at 31 March, 2019 in relation to the Balance Sheet
- Post retirement benefits is determined by the Company as a whole for all employees put together and hence disclosures of post employment benefits of Key management personnel is not separately available.
- These balances had been fully provided for in preceeding previous years.

#### Note 36

##### (a) Income tax expense recognised in the Statement of profit & loss

₹ In Millions

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current Tax:</b>		
In respect of current year	-	9.00
In respect of prior years	(9.00)	1.11
Deferred tax	-	-
<b>Total</b>	<b>(9.00)</b>	<b>10.11</b>



**Unused tax losses**

₹ In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Unused tax losses on which no deferred tax assets have been recognised are attributable to the following:		
Unabsorbed depreciation	141.64	222.68
Long term capital loss	71.39	71.39
<b>Total</b>	<b>213.03</b>	<b>294.07</b>

Note: The accumulated long term capital loss would start to expire under the tax laws from 2025. The unabsorbed depreciation can be carried forward indefinitely under the tax laws.

**b) Deferred tax**

(i) Deferred tax assets/(liabilities) in relation to:

₹ In Millions

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment & Intangible assets	245.39	193.08
Provision for doubtful debts/advances	52.66	59.64
Right of use asset	(232.17)	-
Lease liability	321.71	-
Defined benefit obligation	14.25	9.47
<b>Deferred tax assets/(liabilities) (net)</b>	<b>401.84</b>	<b>262.19</b>
<b>Deferred tax assets/(liabilities) recognised</b>	<b>-</b>	<b>-</b>

**Note:**

Deferred tax asset has not been recognised in relation to accumulated losses and depreciation on consideration of prudence. Deferred tax assets have been restricted to deferred tax liabilities. Accordingly no deferred tax assets/(liabilities) have been recognised.

**Note 37 Disclosure of additional information as required by the Schedule III to the Companies Act, 2013 :**

(a) As at and for the year ended March, 2020

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Millions	As % of consolidated profit or loss	Amount in Millions	As % of consolidated other comprehensive income	Amount in Millions	As % of consolidated total comprehensive income	Amount in Millions
<b>Parent Company</b>								
Speciality Restaurants Limited	100.67	1,649.08	100.43	(381.60)	165.96	(6.94)	101.15	(388.54)
Speciality Hospitality UK Limited (wholly owned subsidiary)	(0.66)	(10.74)	(0.76)	2.87	(60.55)	2.53	(1.41)	5.40
Speciality Hospitality US, Inc. (wholly owned subsidiary)	(0.01)	(0.23)	-	-	(5.41)	0.23	(0.06)	0.23
<b>Jointly venture company of wholly owned subsidiary (Investments as per Equity Method)</b>								
Caterland Hospitality Ltd.	-	-	0.33	(1.26)	-	-	0.33	(1.26)
<b>Total</b>	<b>100.00</b>	<b>1,638.11</b>	<b>100.00</b>	<b>(379.99)</b>	<b>100.00</b>	<b>(4.18)</b>	<b>100.00</b>	<b>(384.17)</b>

(b) As at and for the year ended March, 2019

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Millions	As % of consolidated profit or loss	Amount in Millions	As % of consolidated other comprehensive income	Amount in Millions	As % of consolidated total comprehensive income	Amount in Millions
<b>Parent Company</b>								
Speciality Restaurants Limited	100.70	2,209.05	81.22	(63.44)	83.52	(4.46)	81.38	(67.90)
<b>Speciality Hospitality UK Limited (wholly owned subsidiary)</b>	(0.70)	(15.33)	18.50	(14.45)	16.48	(0.88)	18.36	(15.33)
Jointly venture company (Investments as per Equity Method)								
Mainland China & Indigrill Restaurant LLC	-	-	0.28	(0.22)	-	-	0.26	(0.22)
<b>Total</b>	<b>100.00</b>	<b>2,193.72</b>	<b>100.01</b>	<b>(78.11)</b>	<b>100.00</b>	<b>(5.34)</b>	<b>100.00</b>	<b>(83.45)</b>

### Note 38

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.

As part of a going concern assessment, the Company has assessed the impact of the Covid 19 on the operations and forecasted cash flows. The Company has drawn business plan and has sufficient liquidity to continue to meet its obligations as they fall due and the current circumstances are not expected to have any material financial impact and no material uncertainties related to going concern exist for the Company.

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.

### Note 39 Exceptional Item

The Company has decided to close certain restaurants due to financial unviability because of Covid -19 pandemic. Due to this the Company has 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 have been reversed for units closed and the balance is recognized as an Exceptional gain. Relevant details are as under:

₹ In Millions

Particulars	31 March, 2020	31 March, 2019
i) Impairment of Property, Plant and Equipment	254.45	-
ii) Impairment of Rights of Use Asset	164.54	-
iii) Gain on lease modification / termination	(145.21)	-
<b>Total</b>	<b>273.78</b>	<b>-</b>

### Note 40

Effective 1 April, 2018 the Company adopted Ind AS 115 'Revenue from contracts with customers'. The effect on adoption of Ind AS 115 on the financial statements is insignificant.

### Note 41

Previous period / year figures have been regrouped, wherever necessary.

### Note 42

#### Approval of financial statements

The financial statements were approved for issue by the board of directors on 23 July, 2020.

Form AOC – 1

Statement to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013

read with Rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part “A”

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary company

Sl. No.	Name of the Subsidiary	Speciality Hospitality UK Limited	Speciality Hospitality US, Inc.
1	The date since when subsidiary was incorporated / acquired	Speciality Hospitality UK Limited was incorporated as a private company, limited by shares on August 22, 2017	Speciality Hospitality US, Inc. was incorporated on September 19, 2019
2	Exchange Rate	Not applicable	Not applicable
3	Share capital	10,33,500 ordinary shares of 1 GBP each.	1,00,000 ordinary shares of 1 USD each.
4	Reserves and surplus	GBP (1,25,400)	-
5	Total assets	GBP 9,48,100	USD 1,00,500
6	Total Liabilities	GBP 9,48,100	USD 1,00,500
7	Investments	GBP 7,65,000	USD 75,000
8	Turnover*	GBP 34,779	-
9	Profit / (Loss) before taxation	GBP 32,159	-
10	Provision for taxation	-	-
11	Profit / (Loss) after taxation	GBP 32,159	-
12	Proposed Dividend	Not applicable	Not applicable
13	Extent of shareholding (in percentage)	100%	100%

\*Turnover consists of Other Income only, since the Business Operations are yet to commence.

**Notes:**

- Names of subsidiaries which are yet to commence business operations: Speciality Hospitality UK Limited and Speciality Hospitality US, Inc.
- Names of subsidiaries which have been liquidated or sold during the year – Not applicable.

**Part “B”**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture company**

Sl. No.	Name of the Joint Venture	Caterland Hospitality Ltd.	Foodland Ventures, LLC	Mainland China and Indigrill Restaurant LLC (erstwhile Mainland China Restaurant LLC)
1	Latest audited Balance Sheet Date	March 31, 2020	March 31, 2020	March 31, 2020
2	Date on which the Joint Venture was associated or acquired	Caterland Hospitality Ltd. was incorporated as step down wholly owned subsidiary company of the Company on July 18, 2019. Joint Venture Agreement was entered into on July 24, 2019 between Speciality Hospitality UK Limited, a wholly owned subsidiary (WOS) of the Company and Homage Ventures LLP.	Foodland Ventures, LLC was incorporated as step down subsidiary company of the Company on October 7, 2019. Joint Venture Agreement was entered into on January 10, 2020 between Speciality Hospitality US, Inc., a wholly owned subsidiary the Company and Associated Hospitality & Developers LLC.	Mainland China and Indigrill Restaurant LLC was incorporated on January 31, 2014
3	Shares of Joint Venture held by the Company on the year end –			
	Amount of Investment in Joint Venture	Speciality Hospitality UK Limited, wholly owned subsidiary of the Company had invested GBP 7,65,000 in the Joint Venture Company by way of subscription of 7,65,000 fully paid up equity shares of GBP 1 each in the Joint Venture Company	Speciality Hospitality US, Inc., wholly owned subsidiary of the Company had invested USD 75,000 in the Joint Venture Company by way of subscription of 75,000 fully paid up equity shares of USD 1 each in the Joint Venture Company.	The Company had invested 4,90,000 QAR (Qatari Riyal) in the Joint Venture Company by way of subscription of 490 fully paid up equity shares of QAR 1000 each in the Joint Venture Company
	Extent of Holding in Percentage	51%	50.5%	49%
4	Description of how there is significant influence	As per joint venture agreement	As per joint venture agreement	As per joint venture agreement
5	Reason why the joint venture is not consolidated	The Joint Venture is Consolidated in Consolidated financial statement and are forming part of Annual Report, 2020	The Joint Venture is Consolidated in Consolidated financial statement and are forming part of Annual Report, 2020	The Joint Venture is Consolidated in Consolidated financial statement and are forming part of Annual Report, 2020
6	Net worth attributable to shareholding as per latest audited Balance Sheet	GBP 7,50,939	USD 75,051	(6,38,877) QAR
7	Profit / (Loss) for the year	GBP (27,571)	-	-
	Considered in Consolidated	GBP (14,061)	-	-
	Not considered in Consolidation	GBP (13, 510)	-	-

**Notes:**

- Names of associates / joint ventures which are yet to commence business operations – Caterland Hospitality Ltd. and Foodland Ventures LLC.
- Names of associates / joint ventures which have been liquidated or sold during the year – Not applicable.

**For and on behalf of the Board of Directors**

<b>Anjan Chatterjee</b> Chairman and Managing Director DIN : 00200443	<b>Ullal Ravindra Bhat</b> Director DIN : 00008425
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<b>Rajesh Kumar Mohta</b> Executive Director - Finance & Chief Financial Officer	<b>Dushyant Mehta</b> Director DIN : 00126977
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**Avinash Kinhikar**  
Company Secretary & Legal Head

Place: Mumbai  
Date: 23 July, 2020





**SPECIALITY**  
**RESTAURANTS LTD.**

SPECIALITY RESTAURANTS LIMITED