

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

To the Board of Directors of
Speciality Restaurants Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results ("the Statement") of **Speciality Restaurants Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group"), its joint ventures for the for the quarter ended 30th September, 2019 and the consolidated year to date results from April 1, 2019 to September 30, 2019 being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a) Speciality Restaurants Limited (Holding)
 - b) Speciality Hospitality UK Limited (Subsidiary)
 - c) Caterland Hospitality Limited (Subsidiary of its subsidiary)
 - d) Mainland China Restaurant and Indgrill Restaurant LLC (Joint venture).
5. Attention is drawn to the fact that figure for net cash inflows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Requirements) Regulations, 2015, as amended, including the manner in which it is to be that it contains any material misstatement.
7. The consolidated unaudited financial results include the interim financial information of subsidiary companies which have not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 478.54 lakhs as at September 30, 2019 and, total revenues of Nil for the quarter and six months ended September 30, 2019, total net loss after tax of Rs 31.06 lakhs and Rs. 59.66 lakhs for the quarter and six months ended September 30, 2019, respectively and total comprehensive loss of Rs. 31.06 lakhs and Rs. 59.66 lakhs for the quarter and six months ended September 30, 2019, respectively



and net cash outflow of Rs. 188.46 lakhs for the six months ended September 30, 2019, as considered in the Statement. The consolidated unaudited financial results also include the Group's share of loss after tax of Rs. Nil for the quarter and six months ended September 30, 2019 and total comprehensive loss of Rs. Nil for the quarter and six months ended September 30, 2019 in respect of joint venture company, based on its interim financial information which has not been reviewed by its auditor. According to the information and explanation given to us by the management, this interim financial information is not material to the group.

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

8. Utilisation of IPO proceeds (Note 4 to the Statement) has not been verified by us since it is not a requirement under Regulation 33 but it is a requirement under Regulation 32 of the listing agreements with the stock exchanges.

Place: Mumbai
Date: 07 November, 2019



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


Sukhendra Lodha
Partner
Membership No.: 071272

UDIN:19071272AAAABH4094

SPECIALITY RESTAURANTS LIMITED

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

Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 September 2019

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	For the Quarter ended on			For six months ended on		For the Year ended on
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
1	Revenue from operations	8,850	8,759	8,497	17,609	16,432	34,636
2	Other Income (Refer note 3)	271	233	202	504	386	946
3	Total Revenue	9,121	8,992	8,699	18,113	16,818	35,582
4	Expenses						
	(a) Cost of materials consumed	2,812	2,750	2,676	5,562	5,215	10,891
	(b) Employee benefits expense	2,183	2,106	2,103	4,289	4,137	8,188
	(c) Finance costs (Refer note 3)	555	464	-	1,019	-	-
	(d) Depreciation/amortisation/impairment (Refer note 3)	1,536	1,476	699	3,012	1,306	2,871
	(e) Lease rent (Refer note 3)	180	211	1,527	391	3,075	6,335
	(f) Other expenses (Refer note 3)	2,349	2,132	1,944	4,481	3,966	7,975
	Total Expenses	9,615	9,139	8,949	18,754	17,699	36,260
5	Profit/(Loss) before share of loss in Joint Venture and tax (3 - 4)	(494)	(147)	(250)	(641)	(881)	(678)
6	Share of loss in Joint venture company	-	-	-	-	(2)	(2)
7	Profit/(Loss) before tax (5 - 6)	(494)	(147)	(250)	(641)	(883)	(680)
8	Tax expense						
	a) Current tax	-	-	-	-	-	90
	b) Deferred tax	-	-	-	-	-	-
	c) Short provision for tax relating to prior years	-	-	-	-	-	11
		-	-	-	-	-	101
9	Profit/(Loss) after tax for the period (7 - 8)	(494)	(147)	(250)	(641)	(883)	(781)
10	Other comprehensive income	7	(47)	(2)	(40)	(2)	(53)
11	Total comprehensive income for the period (9 - 10)	(487)	(194)	(252)	(681)	(885)	(834)
12	Earnings per equity share (of ₹ 10/- each) (not annualised for quarters)						
	(a) Basic	(1.05)	(0.31)	(0.53)	(1.36)	(1.88)	(1.66)
	(b) Diluted	(1.05)	(0.31)	(0.53)	(1.36)	(1.88)	(1.66)
	See accompanying notes to the financial results						



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Notes:

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 7 November, 2019.
 - 2 The Company is engaged in the food business, which in the context of Ind AS 108 on Operating Segment, constitutes a single reportable business segment.
 - 3 Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information. Instead, the cumulative effect of initial application of the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019, aggregating to Rs. 1,812.27 lakhs.
- Consequently in the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from "Lease rent" in previous period to "Depreciation and amortisation expense" for the right of use assets, "Finance cost" for interest accrued on lease liability and GST on Lease Rent to "Other expenses". As a result the "Lease Rent", "Depreciation and amortisation expense", "Finance cost" and "Other expenses" of the current period is not comparable to the earlier periods.

The performance of the current period is not comparable with previous period results. The reconciliation of the above effect on the Statement of Profit and Loss for the quarter and six months ended 30 September, 2019 is as under:

Quarter ended 30 September, 2019		₹ In Lakhs	
Adjustments to increase / (decrease) in Profit before tax	Quarter ended 30 September, 2019 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Quarter ended 30 September, 2019 as reported
Other Income	210	(61)	271
Lease Rent	1,705	(1,525)	180
Other expenses	2,140	209	2,349
Depreciation and amortisation expense	509	1,027	1,536
Finance cost	0	555	555
Profit before tax	(289)	(205)	(494)

Six Months ended 30 September, 2019		₹ In Lakhs	
Adjustments to increase / (decrease) in Profit before tax	Six months ended 30 September, 2019 comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Six months ended 30 September, 2019 as reported
Other Income	443	(61)	504
Lease Rent	3,383	(2,992)	391
Other expenses	4,076	405	4,481
Depreciation and amortisation expense	1,024	1,988	3,012
Finance cost	0	1,019	1,019
Profit before tax	(282)	(359)	(641)



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4 The utilisation of IPO proceeds is summarised below:

Particulars	Details of Planned utilisation of IPO proceeds in accordance with Prospectus dated May 22, 2012	Spent upto March 31, 2015	Balance available as on March 31, 2015	Variations in plan approved for financial year 2015-2018	Amount Utilised upto March 31, 2018	Balance amount to be utilised as on March 31, 2018. (Plan approved for utilisation till March 31, 2021)	Amount Utilised upto September 30, 2019	Balance amount to be utilised as on September 30, 2019
A	B	C	D	E	F	G	H	I
(i) Development of new restaurants	13,160	8,941	4,219	(4,219)	-	-	-	-
(ii) Development of new restaurants/conversion of existing restaurants (Refer Note below)	-	-	-	5,785	3,554	2,231	2,231	-
(iii) Development of a food plaza	1,510	-	1,510	(1,510)	-	-	-	-
(iv) Repayment of Term Loan facilities	942	942	-	-	-	-	-	-
(v) General Corporate purpose	105	105	-	-	-	-	-	-
(vi) Issue related expenses	1,892	1,836	56	(56)	-	-	-	-
Total	17,609	11,824	5,785	-	3,554	2,231	2,231	-

₹ in Lakhs

Note:

i. The amount shown in column G (ii) represents unutilised amount as on March 31, 2018 related to the objects disclosed in the prospectus dated May 22, 2012 and 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 / conversion of existing restaurants under new formats for further period of three (3) years with effect from April 1, 2018.

ii. The amount shown in column H (ii) represents utilised amount after March 31, 2018 upto September 30, 2019.

5 Previous period / year figures have been regrouped, wherever necessary.

For and on behalf of the Board

For Speciality Restaurants Limited



[Signature]
Indranil Chatterjee
Director - Commercial Operations
(DIN : 00200577)



Place: Mumbai
Date: 7 November, 2019

Particulars	Standalone		Consolidated	
	As at 30 September, 2019	As at 31 March, 2019	As at 30 September, 2019	As at 31 March, 2019
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Non-current assets				
a. Property, Plant and Equipment	7,893	8,014	7,893	8,014
b. Right Of Use Asset	19,748	-	19,748	-
c. Capital work-in-progress	3,849	3,498	4,172	3,523
d. Intangible assets	162	187	162	187
e. Financial assets				
i. Investments				
(a) Investment in equity instruments	663	396	-	-
(b) Other investments	2	496	2	496
ii. Loans	117	138	117	138
iii. Other financial assets	2,965	3,042	3,045	3,042
f. Other non-current assets	1,892	2,418	1,892	2,418
Total non-current assets	37,291	18,189	37,031	17,818
Current assets				
a. Inventories	914	668	914	668
b. Financial assets				
i. Other investments	6,194	6,321	6,194	6,321
ii. Trade receivables	433	539	433	539
iii. Cash and cash equivalents	600	835	675	1,099
iv. Bank balances other than (iii) above	8	8	8	8
v. Loans	55	44	55	44
vi. Other financial assets	563	675	563	675
c. Other current assets	1,363	1,239	1,363	1,239
Total current assets	10,130	10,329	10,205	10,593
Total Assets	47,421	28,518	47,236	28,411
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	4,696	4,696	4,696	4,696
b. Other equity	15,086	17,511	14,711	17,241
Total equity	19,782	22,207	19,407	21,937
Liabilities				
Non-current liabilities				
a. Financial Liabilities				
i. Other financial liabilities	21,549	1,097	21,549	1,097
b. Provisions	403	333	403	333
Total non-current liabilities	21,952	1,430	21,952	1,430
Current liabilities				
a. Financial Liabilities				
i. Trade payables				
- total outstanding dues of micro enterprises and small enterprises	34	9	34	9
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,865	3,042	3,908	3,088
ii. Other financial liabilities	1,272	1,140	1,272	1,140
b. Other current liabilities	516	690	663	807
Total current liabilities	5,687	4,881	5,877	5,044
Total liabilities	27,639	6,311	27,829	6,474
Total Equity and Liabilities	47,421	28,518	47,236	28,411



For and on behalf of the Board

For Speciality Restaurants Limited

Indranil Chatterjee
 Director - Commercial Operations
 (DIN : 00200577)
 Date: 7 November, 2019



Consolidated Statement of Cash Flows

₹ In Lakhs

Particulars	For half year ended 30 September, 2019	For half year ended 30 September, 2018
Cash flow from Operating Activities		
Loss before tax	(641)	(883)
Adjustments for:		
Depreciation and amortisation expense	1,024	1,306
Depreciation - Right Of Use Asset	1,829	-
Depreciation - Right Of Use - Deferred Rent	159	-
Gain on sale of Property, plant and equipment (net)	(1)	1
Gain/Loss On Disposal Of Right Of Use Asset	(62)	-
Profit on sale of investments (net)	(60)	(123)
Gain on fair value of investments (net)	(166)	(82)
Finance costs	1,019	0
Interest income from banks/others	(30)	(11)
Unwinding effect of security deposits	(147)	12
Sundry balances written off	6	1
(Income)/expenses recognised in respect of equity-settled shared based payments	(15)	-
Lease rent equalisation adjustment	-	(14)
Provision for doubtful debts and advances	-	130
Payable on account of gratuity (net)	52	-
Foreign exchange (gain)/loss (net)	(1)	(11)
Operating Profit before working capital changes	2,966	326
Adjustments for (increase)/decrease in operating assets:		
Inventories	(246)	7
Trade receivables	95	(91)
Other current financial assets	112	(103)
Other non-current financial assets	(380)	(622)
Other current assets	(427)	(120)
Other non-current assets	28	(12)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	919	422
Other current liabilities	(174)	180
Other non-current financial liabilities	9	-
Cash generated from operations	2,902	(13)
Net income tax (paid)/refund	(51)	(31)
A. Net cash generated from Operating Activities (A)	2,851	(44)
B. Cash flow from Investing Activities		
Capital expenditure on property, plant and equipment	(1,752)	(521)
Proceeds from sale of property, plant and equipment	10	15
Investment in mutual funds	847	819
Current loans	(11)	5
Non-current loans	25	(2)
Interest received	30	11
B. Net cash used in Investing Activities (B)	(851)	327
C. Cash flow from Financing Activities		
Repayment of long-term borrowings	-	(3)
Payment of Lease liability	(2,424)	-
C. Net cash used in Financing Activities (C)	(2,424)	(3)
Net increase in cash and cash equivalents (A+B+C) = (D)	(424)	280
Cash and cash equivalents at the beginning of the period (E)	1,099	522
Cash and cash equivalents at the end of the period (D) +(E)	675	802



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