

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

**To**  
**The Board of Directors of**  
**Speciality Restaurants Limited**

#### **Opinion**

We have audited the accompanying consolidated annual financial results of **Speciality Restaurants Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its Subsidiaries together referred to as "the Group") and its share of losses in the joint ventures for year ended March 31, 2023 ("Statement"), attached herewith, 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 (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration separate financial information of the subsidiary and joint venture, the Statement:

- (i) includes the financial results of the following entities:
  - a) Speciality Hospitality UK Limited (Subsidiary-UK)
  - b) Caterland Hospitality Limited (Joint venture of subsidiary-UK)
  - c) Speciality Hospitality US Inc (Subsidiary-US).
  - d) Foodland Ventures LLC (Joint venture of subsidiary-US).
  - e) Mainland China and Indigrill Restaurant LLC (Joint venture of the Holding Company).
  - f) Speciality Hotels India Private Limited (Subsidiary of the Holding Company)
- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income for the year ended March 31, 2023 and other financial information of the Group.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its joint ventures 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 consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



### Emphasis of matter

Attention is invited to:

1. Note 3 (a) of the consolidated financial results, which describes the reversal of provision for impairment (net off depreciation/amortization) of an amount of Rs 839 Lakhs on account of reassessment of impairment test towards the right of use assets and property, plant and equipment and improved profitability situation, which was recognised earlier.
2. Note 9 to the consolidated financial results, which describes the recognition of deferred tax asset of Rs 3,339 Lakhs.

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

### Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Group and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation.

In preparing the Statement, the Management and the respective Board of Directors of the Companies included in Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of Companies included in Group and of its joint ventures are also responsible for overseeing the financial reporting process of Group and its joint ventures.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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





- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its joint venture'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 consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results / Information of the entities within the Group and its joint ventures to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditor. The financial information of other entities, included in the Consolidated Financial Results has not been audited and these unaudited financial results/ statements have been approved and furnished by the management. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance 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.

We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, as amended, to the extent applicable.



### Other Matter

1. The Statement includes the results for the quarter ended March 31, 2023 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figure between the audited figures in respect of the full financial year ended on March 31, 2023/ March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current and previous financial year respectively, which were subjected to a limited review by us, as required under the Listing Regulations.
2. The Statement includes the unaudited financial results of three subsidiaries which have not been reviewed / audited whose financial statements / financial results / financial information reflects total assets of Rs. 709.68 lakhs as at March 31, 2023 and total revenues of Nil and Nil for the quarter and year ended March 31, 2023, respectively, total comprehensive income (comprising of net profit and other comprehensive income) of Rs 34.33 lakhs and Rs 34.30 lakhs for the quarter and year ended March 31, 2023, respectively and net cash inflow of Rs 79.63 lakhs for the year ended March 31, 2023, before giving effect to the consolidation adjustments, as considered in the Statement. The Statement also includes the Group's share of net profit of Rs. 5.18 lakhs and Rs. 6.80 lakhs and total comprehensive loss of Rs. 5.18 lakhs and Rs. 6.80 lakhs for the quarter and year ended March 31, 2023 respectively, in respect of 3 joint venture companies of the Holding Company / wholly owned subsidiaries located outside India, based on its financial result / financial information which have not been reviewed / audited. This financial information is unaudited and have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on such unaudited financial information. This financial information is not material to the Group.

Our opinion on the Statement is not modified in respect of above matter with respect to the financial statements certified by the Holding Company's Management.

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



**Milind Agal**  
Partner  
Membership No. 123314  
UDIN: 23123314BGWIIIE1831

Place: Mumbai  
Date: 29 May 2023





**SPECIALITY RESTAURANTS LIMITED**

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

Email: corporate@speciality.co.in

Website: www.speciality.co.in

**Statement of Consolidated Audited Financial Results for the quarter and year ended 31st March 2023**

Sr. No.	Particulars	₹ In Lakhs (Except per share data)				
		Quarter Ended			Year Ended	
		31.03.2023 (Audited) Note 10	31.12.2022 (Unaudited)	31.03.2022 (Audited) Note 10	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Revenue from operations	8,751	10,371	7,178	37,497	25,293
2	Other Income (Refer Note no. 4)	1,049	186	754	2,412	1,362
3	<b>Total Revenue</b>	<b>9,800</b>	<b>10,557</b>	<b>7,932</b>	<b>39,909</b>	<b>26,655</b>
4	<b>Expenses</b>					
	(a) Cost of food and beverages consumed	2,771	3,115	2,172	11,399	7,552
	(b) Employee benefits expense	1,871	1,917	1,430	7,319	4,640
	(c) Finance costs	352	355	362	1,391	1,455
	(d) Depreciation/amortisation/impairment	881	840	734	3,172	2,735
	(e) Lease rent	270	415	327	1,401	1,417
	(f) Other expenses	2,472	2,447	2,416	9,729	7,445
	<b>Total Expenses</b>	<b>8,617</b>	<b>9,089</b>	<b>7,441</b>	<b>34,411</b>	<b>25,244</b>
5	<b>Profit before exceptional items &amp; tax (3 - 4)</b>	<b>1,183</b>	<b>1,468</b>	<b>491</b>	<b>5,498</b>	<b>1,411</b>
6	Exceptional items (Refer Note no. 3)	839	-	-	839	-
7	<b>Profit before share of joint venture &amp; tax (5 + 6)</b>	<b>2,022</b>	<b>1,468</b>	<b>491</b>	<b>6,337</b>	<b>1,411</b>
8	Share in Profit/(Loss) of Joint Venture	5	43	(199)	7	(596)
9	<b>Profit before tax (7 + 8)</b>	<b>2,027</b>	<b>1,511</b>	<b>292</b>	<b>6,344</b>	<b>815</b>
10	<b>Tax expense</b>					
	a) Current tax	(163)	(27)	-	6	-
	b) Deferred tax (Refer Note no. 9)	(3,341)	-	-	(3,341)	-
		<b>(3,504)</b>	<b>(27)</b>	<b>-</b>	<b>(3,335)</b>	<b>-</b>
11	<b>Profit after tax for the period (9 - 10)</b>	<b>5,531</b>	<b>1,538</b>	<b>292</b>	<b>9,679</b>	<b>815</b>
12	<b>Other comprehensive Income (OCI)</b>					
	Items that will not be reclassified to profit or loss	1	(7)	30	9	122
	- Income tax (expense)/benefit on remeasurement of defined benefit plans (Refer Note no. 9)	(2)	-	-	(2)	-
	Items that may be reclassified to profit or loss	17	56	(18)	17	(7)
	- Exchange Difference arising on translating the foreign operations (Refer Note no. 9)	(4)	-	-	(4)	-
13	<b>Total comprehensive Income for the period (11 + 12)</b>	<b>5,543</b>	<b>1,587</b>	<b>304</b>	<b>9,699</b>	<b>930</b>
14	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,696	4,696	4,696	4,696	4,696
15	Other Equity	-	-	-	-	9,768
16	<b>Earnings per equity share (of ₹ 10/- each)*</b>					
	(a) Basic	11.78	3.28	0.62	20.61	1.74
	(b) Diluted	11.71	3.28	0.62	20.50	1.74

See accompanying notes to the financial results

\*not annualised for quarters



**Notes:**

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29th May, 2023. The results for the year ended 31st March, 2023, were audited by the statutory auditors of the Company.  
The above results has been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended.
- 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 Exceptional item:
  - a) During the quarter and year ended March, 2023 includes reversal of impairment charge (net off depreciation/amortisation) taken on account of Covid - 19 pandemic, as the uncertainties with regards to Cash Flow's of operating units no longer exists.
  - i) Right of use asset amounting to Rs. 545 Lakhs
  - ii) Property, plant and equipment amounting to Rs. 294 Lakhs
- 4 Other income for the year ended 31st March, 2023:
  - a) Includes an amount of Rs. 767.60 Lakhs received during quarter ended June, 2022 from the Goods and Service Tax Department towards refund of reversal of Cenvat credit under rule 6(3) of Cenvat Credit Rules, 2004 pertaining to the period April, 2016 to June, 2017.
  - b) Includes gain on sale of property developed under Joint Development Agreement amounting to Rs. 664.44 Lakhs during the quarter ended March, 2023.
- 5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6 The Board of Directors ("the Board") of the Company at its meeting held on 20th October, 2022 has inter alia, subject to requisite approvals/consents, considered and approved the scheme of Demerger of Asset by and between Speciality Restaurants Limited (the "Transferee Company" or "Company") and the wholly owned subsidiary namely Speciality Hotels Private Limited ("Transferor Company") under section 230 to 232 of the Companies Act, 2013 ("Scheme"). Appointed date for demerger is 01-10-2022 and the asset has been classified as "Assets held for Sale".
- 7 On 2nd February, 2023 the Company had allotted 60,00,000 warrants convertible into Equity Shares, each convertible into one equity share of face value of Rs.10/- each, on preferential basis, at an issue price of Rs. 212.05 each amounting to Rs. 127.23 crores.  
  
Application money of Rs. 53.02 per warrant equivalent to 25% of the issue price as warrant subscription money, amounting to Rs. 31.81 crores was received by the Company and the balance 75% of the issue price of Rs. 159.03 per warrant, amounting to Rs. 95.42 crores was to be received from the warrant holders on or before 30th April, 2023 which was extended to 31st October, 2023 by the Board of Directors in the meeting held on 29th April, 2023.  
  
However, on or before to the Board Meeting on 29th April, 2023 after the year end, an amount of Rs.9.54 crores as balance 75% of Warrant Exercise Price for 6,00,000 warrants was received for conversion and 6,00,000 shares are allotted by the Company on 29th April, 2023. The balance amount of Rs. 85.88 crores with respect to 54,00,000 warrants shall be payable by the warrant holders on or before 31st October, 2023 after receipt of a written notice from the company.
- 8 The Board of Directors of the Company in its meeting on 29th May, 2023 recommended a dividend of Rs. 2.50 per equity share (at the rate of 25% on face value of Rs. 10 per share) of the Company for the year ended 31st March, 2023 which will be paid subject to the approvals of the shareholders in the annual general meeting of the Company, to those shareholders whose names appear in the register of members as on the date of the book closure in proportion to the paid up value of the equity shares and if approved and would result in a net cash outflow of Rs. 1,188.94 Lakhs.
- 9 During the year, the Company has earned taxable profits and pursuant to which it was able to recoup its unabsorbed losses / depreciation. Hence, now the Company is recognising net deferred tax assets of Rs. 3,335 Lakhs on all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference will be utilized.
- 10 The results of the quarter ended 31st March, 2023 and 31st March, 2022 are the balancing figure between audited results in respect of full financial year and published year to date results upto third quarter of relevant financial year.
- 11 Previous periods figures have been regrouped/ reclassified wherever necessary.



For and on behalf of the Board  
For Speciality Restaurants Limited

  
Anil Chatterjee  
Deputy Managing Director  
(DIN : 00200577)

Place: Mumbai  
Date: 29th May, 2023





**Speciality Restaurants Limited**  
Statement of Consolidated Cash Flows for the year ended 31st March 2023

₹ In Lakhs

Particulars	Notes	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Cash flow from Operating Activities</b>			
<b>Profit / (Loss) before tax</b>		<b>6,337</b>	<b>815</b>
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment - property, plant and equipment		1,015	1,100
Depreciation and impairment - right of use asset		2,157	1,634
Exceptional item		(839)	-
Gain on sale of property, plant and equipment (net)		(669)	42
Gain on lease modification / termination		(15)	(211)
Profit on sale of investments (net)		(59)	(214)
(Gain)/loss on fair value of investments (net)		(502)	(174)
Finance costs		1,391	1,455
Impairment charge on property, plant, equipment		65	110
Interest income from banks/others		(35)	(2)
Interest on income tax refund		(4)	(46)
Dividend on current investments		(20)	(6)
Unwinding effect of security deposits		(266)	(279)
Sundry balances written off		43	281
Sundry balances written back		(60)	(392)
Share in (gain)/loss of joint venture		(7)	596
Provision for doubtful debts and advances		(36)	(40)
Payable on account of gratuity (net)		101	138
Deferred Rent amortisation		245	-
<b>Operating Profit before working capital changes</b>		<b>8,842</b>	<b>4,807</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>			
Inventories		(159)	57
Trade receivables		(177)	(124)
Other current financial assets		(218)	524
Other non-current financial assets		(2)	310
Current loans		7	(67)
Non-current loans		(3)	67
Other current assets		(672)	(342)
Other non-current assets		253	19
<b>Adjustments for increase/(decrease) in operating liabilities:</b>			
Trade payables		291	80
Other current liabilities		194	(157)
Other non-current financial liabilities		(227)	17
Other current financial liabilities		280	421
Non - current provision		(42)	(302)
<b>Cash generated from operations</b>		<b>8,367</b>	<b>5,310</b>
Net income tax (paid)/refund		(334)	85
<b>A. Net cash generated from operating activities (A)</b>		<b>8,033</b>	<b>5,395</b>
<b>B. Cash flow from Investing Activities</b>			
Capital expenditure on property, plant and equipment		(1,000)	(250)
Proceeds from sale of property, plant and equipment		26	33
Investment in subsidiary company		(14)	(232)
Proceeds/ (Investment) in current investment other than mutual fund		-	(2,124)
Investment in mutual fund		(6,405)	(3,143)
Proceeds from sale of mutual fund		270	2,350
Interest received		35	2
Dividend received		20	6
Liabilities directly associated with assets held for sale		-	1
<b>B. Net cash used in Investing Activities (B)</b>		<b>(7,068)</b>	<b>(3,357)</b>
<b>C. Cash flow from Financing Activities</b>			
Payment of Lease liability		(4,001)	(2,582)
Share Warrants issued		3,499	-
<b>C. Net cash used in Financing Activities (C)</b>		<b>(502)</b>	<b>(2,582)</b>
<b>Net increase in cash and cash equivalents (A+B+C) = (D)</b>		<b>463</b>	<b>(544)</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>		<b>180</b>	<b>724</b>
<b>Cash and cash equivalents at the end of the year (D)+(E)</b>		<b>643</b>	<b>180</b>



*(Handwritten Signature)*

