

Limited Review Report on Unaudited Quarterly and Year to Date Unaudited Consolidated Financial Results of Speciality Restaurants Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of
Speciality Restaurants Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Speciality Restaurants Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its Subsidiaries together referred to as " the Group") and its share of net profit after tax and total comprehensive income of its joint venture for the quarter ended December 31 , 2023 and Year to date from April 01, 2023 to December 31, 2023 (the "Statement") 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").
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 Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (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). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons 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 Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. The Statement includes result of the following entities:
 - a. Speciality restaurants limited (Holding Company)
 - b. Speciality Hospitality UK Limited (Subsidiary-UK)
 - c. Caterland Hospitality Limited (Joint venture of subsidiary-UK and w.e.f. 01 October 2023, Subsidiary of subsidiary-UK)
 - d. Speciality Hospitality US Inc (Subsidiary-US).
 - e. Foodland Ventures LLC (Joint venture of subsidiary-US).
 - f. Mainland China and Indigrill Restaurant LLC (Joint venture of the Holding Company).
 - g. Speciality Hotels India Private Limited (Subsidiary of the Holding Company).

Conclusion

5. 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 applicable Accounting Standards ('IND AS') prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material mis-statement.



6. Other matters

The Statement includes the interim financial information/ financial results of four subsidiaries which have not been reviewed/ audited, and have been approved and furnished to us by the management, whose financial information reflects total revenue of Rs 649 lakhs and Rs 649 Lakhs, total net profit after tax of Rs. 70 lakhs and Rs. 68 lakhs and total comprehensive income of Rs 70 lakhs and Rs. 68 Lakhs for the quarter and nine months ended December 31, 2023, respectively, before giving effect to the consolidation adjustments, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs Nil Lakhs and Rs 93 lakhs for the quarter and nine months ended December 31, 2023, as considered in the statement, in respect of three joint venture companies of the Holding Company/ wholly owned subsidiaries located outside India, based on its interim financial information/ financial results which have not been reviewed/audited, and have been approved and furnished to us by the management. According to the information and explanations given to us by the Management, these financial information/financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

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



Milind Agal
Partner

Membership No. 123314
UDIN:24123314BKBZUE5532

Place: Mumbai
Date: January 17, 2024



Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2023

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	11,598	9,788	10,371	30,851	28,746	37,497
2	Other Income (Refer Note No. 4)	663	582	186	1,599	1,363	2,412
3	Total Income	12,261	10,370	10,557	32,450	30,109	39,909
4	Expenses						
	(a) Cost of food and beverages consumed	3,477	2,928	3,115	9,263	8,628	11,399
	(b) Employee benefits expense	2,444	2,252	1,917	6,734	5,448	7,319
	(c) Finance costs	381	380	355	1,120	1,039	1,391
	(d) Depreciation/amortisation/impairment	1,078	1,015	840	3,054	2,291	3,172
	(e) Lease rent	526	388	415	1,292	1,131	1,401
	(f) Other expenses	2,798	2,653	2,447	7,942	7,257	9,729
	Total Expenses	10,704	9,616	9,089	29,405	25,794	34,411
5	Profit before exceptional items & tax (3 - 4)	1,557	754	1,468	3,045	4,315	5,498
6	Exceptional items (Refer Note No. 5)	-	-	-	-	-	839
7	Profit/ (loss) before share in profit of joint venture & tax (5-6)	1,557	754	1,468	3,045	4,315	6,337
8	Share in Profit of joint venture	-	52	43	93	2	7
9	Profit before tax (7 + 8)	1,557	806	1,511	3,138	4,317	6,344
10	Tax expense/ (credit)						
	a) Current tax	(28)	152	(27)	368	169	6
	b) Deferred tax (Refer Note No. 8)	168	78	-	107	-	(3,341)
		140	230	(27)	475	169	(3,335)
11	Profit after tax for the period (9 - 10)	1,417	576	1,538	2,663	4,148	9,679
12	Other comprehensive income (OCI)						
	Items that will not be reclassified to profit or loss:						
	Re-measurement gains/ (losses) on defined benefit plans	(2)	(13)	(7)	(25)	8	9
	Income tax effect (Refer Note No. 8)	-	4	-	6	-	(2)
	Items that may be reclassified to profit or loss:						
	Exchange differences arising on translating the foreign operations	39	(17)	56	39	-	17
	Income tax effect	(1)	-	-	-	-	(4)
13	Total comprehensive income for the period (11 + 12)	1,453	550	1,587	2,683	4,156	9,699
14	Net Profit attributable to:						
	- Owners	1,383	576	1,538	2,629	4,148	9,679
	- 'Non-controlling interests	34	-	-	34	-	-
15	Other comprehensive income (OCI) attributable to:						
	- Owners	36	(26)	49	20	8	20
	- 'Non-controlling interests	-	-	-	-	-	-
16	Total comprehensive income attributable to:						
	- Owners	1,419	550	1,587	2,649	4,156	9,699
	- 'Non-controlling interests	34	-	-	34	-	-
17	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,810	4,756	4,696	4,810	4,696	4,696
18	Other Equity	-	-	-	-	-	22,965
19	Earnings per equity share (of ₹ 10/- each)*						
	(a) Basic	2.88	1.21	3.28	5.52	8.83	20.61
	(b) Diluted	2.80	1.18	3.28	5.33	8.83	20.50

See accompanying notes to the financial results
*not annualised for quarters and nine months



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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 17th January, 2024. Review as required under regulation 33 of SEBI (Listing obligation and disclosure requirement) regulations, 2015 has been carried out by the statutory auditor of the Company who have issued an unmodified conclusion on these financial results.
- 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 Group is engaged in the food business, which in the context of Ind AS 108 on Operating Segment, constitutes a single reportable business segment.
- 3 The Board of Directors as per the amendment of original agreement has ratified the management decision to re-classify Caterland Hospitality Limited from Joint Venture to Subsidiary under Ind AS 103 Business Combinations and Ind AS 110 Consolidated Financial Statements with effect from October 01, 2023. In this context, the Board has recognised rights of Speciality Hospitality UK Limited in operating activities of Caterland Hospitality Limited.
- 4 Other income:
- a) During the quarter and nine months ended December 31, 2023, other income includes ₹ 181 lakhs pertaining to write-back of provision for service tax liability no longer required, as the Holding Company has received a discharge certificate from the tax authorities towards full & final settlement of tax dues under section 127 of the Finance Act 2019 read with rule 9 of the SVLDR scheme discharging the Holding Company from payment of any further service tax, interest or penalty with respect of the aforesaid matter.
- b) During the year ended March, 2023, other income includes gain on sale of property developed under Joint Development Agreement amounting to ₹ 664.44 Lakhs.
- c) During the nine months ended December 31, 2022 and year ended March, 2023, other income includes an amount of ₹ 767.60 Lakhs received from the Goods and Service Tax Department towards refund of reversal of Cenvat credit under rule 6(3) of Cenvat Credit Rules, 2004 pertaining to the period April, 2016 to June, 2017.
- 5 Exceptional item:
During the year ended March 31, 2023, exceptional items include reversal of impairment charge (net off depreciation/amortisation) taken on account of Covid - 19 pandemic, as the uncertainties with regards to Cash Flows of operating units no longer exists.
- i) Right of use asset amounting to ₹ 545 Lakhs
ii) Property, plant and equipment amounting to ₹ 294 Lakhs
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 On February 02, 2023 the Holding Company had allotted 60,00,000 warrants convertible into Equity Shares, each convertible into one equity share of face value of Rs.10/- each, on preferential basis, at an issue price of ₹ 212.05 each amounting to ₹ 12,723 lakhs. Application money of ₹ 53.02 per warrant equivalent to 25% of the issue price as warrant subscription money, amounting to ₹ 3,181 lakhs was received by the Holding Company and the balance 75% of the issue price of ₹ 159.03 per warrant, amounting to ₹ 9,542 lakhs was to be received from the warrant holders on or before December 31, 2023 which was further extended to on or before August 01, 2024 as approved in the Board Meeting dated December 29, 2023.
- As at December 31, 2023 an amount of ₹ 1,813 lakhs as balance 75% of Warrant Exercise Price for 11,40,000 warrants have been received for conversion, accordingly 11,40,000 equity shares have been allotted by the Holding Company. The balance amount of ₹ 7,729 lakhs with respect to 48,60,000 warrants shall be payable by the warrant holders by the extended date.
- 8 During the year ended March 31, 2023, the Group has earned taxable profits and pursuant to which it was able to recoup its unabsorbed losses / depreciation. Hence, during the year ended March, 2023, the Group has recognised net deferred tax assets of ₹ 3,339 Lakhs on all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference will be utilized.
- 9 Previous periods figures have been regrouped/ reclassified wherever necessary.



For and on behalf of the Board of
Speciality Restaurants Limited

Anjanmoy Chatterjee
Chairman and Managing Director
(DIN : 00200443)

Place: Mumbai
Date: January 17, 2024