

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 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 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 September 30, 2023 and Year to date from April 01, 2023 to September 30, 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)
 - 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 three subsidiaries which have not been reviewed/ audited, and have been approved and furnished to us by the management, whose financial information reflects total assets of Rs. 797 lakhs as at September 30, 2023, total revenue of Nil and Nil, total net loss after tax of Rs. 0.58 lakhs and Rs. 1.92 lakhs and total comprehensive income of Rs 0.58 lakhs and Rs. 1.92 Lakhs for the quarter and six months ended September 30, 2023, respectively, and cash outflow of Rs.2.12 Lakhs, 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. Rs 52 lakhs and Rs. 93 lakhs and total comprehensive income of Rs. 43 Lakhs and Rs 93 Lakhs for the quarter and six months ended September 30, 2023, respectively, as considered in the statement, in respect of 3 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.



Place: Mumbai
Date: October 30, 2023

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

A handwritten signature in black ink, appearing to read "Milind Agal".

Milind Agal
Partner
Membership No. 123314
UDIN:23123314BGWILD9757

SPECIALITY RESTAURANTS LIMITED

Registered Office: Uniworth House 3A Gurusaday Road, Kolkata - 700019

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

Email: corporate@speciality.co.in

Website: www.speciality.co.in

Statement of Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2023

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Six Month Ended		Year Ended
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
1	Revenue from operations	9,788	9,465	9,378	19,253	18,375	37,497
2	Other income (Refer Note no. 4)	582	354	315	936	1,177	2,412
3	Total Revenue	10,370	9,819	9,693	20,189	19,552	39,909
4	Expenses						
	(a) Cost of food and beverages consumed	2,928	2,858	2,834	5,786	5,513	11,399
	(b) Employee benefits expense	2,252	2,038	1,809	4,290	3,531	7,319
	(c) Finance costs	380	359	342	739	684	1,391
	(d) Depreciation/amortisation/impairment	1,015	961	744	1,976	1,451	3,172
	(e) Lease rent	388	378	411	766	716	1,401
	(f) Other expenses	2,653	2,491	2,296	5,144	4,810	9,729
	Total Expenses	9,616	9,085	8,436	18,701	16,705	34,411
5	Profit before exceptional items & tax (3 - 4)	754	734	1,257	1,488	2,847	5,498
6	Exceptional items (Refer Note no. 3)	-	-	-	-	-	839
7	Profit/(Loss) before share of joint venture & tax (5 - 6)	754	734	1,257	1,488	2,847	6,337
8	Share in Profit/(Loss) of joint venture	52	41	(3)	93	(41)	7
9	Profit/(Loss) before tax (7 + 8)	806	775	1,254	1,581	2,806	6,344
10	Tax expense						
	a) Current tax	152	244	147	396	196	6
	b) Deferred tax (Refer Note no. 7)	78	(139)	-	(61)	-	(3,341)
		230	105	147	335	196	(3,335)
11	Profit after tax for the period (9 - 10)	576	670	1,107	1,247	2,610	9,679
12	Other comprehensive income (OCI)						
	Items that will not be reclassified to profit or loss	(13)	(10)	5	(23)	15	9
	Income tax (expense)/benefit on remeasurement of defined benefit plans (Refer Note no. 7)	4	2	-	6	-	(2)
	Items that may be reclassified to profit or loss						17
	Exchange differences arising on translating the foreign operations	(17)	18	(31)	1	(56)	(4)
13	Total comprehensive income for the period (11 + 12)	550	680	1,081	1,231	2,569	9,699
14	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,756	4,756	4,696	4,756	4,696	4,696
15	Other Equity	-	-	-	-	-	22,965
16	Earnings per equity share (of ₹ 10/- each)*						
	(a) Basic	1.21	1.41	2.36	2.63	5.56	20.61
	(b) Diluted	1.18	1.38	2.36	2.55	5.56	20.50
	See accompanying notes to the financial results						

*not annualised for quarters



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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 30th October, 2023. 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 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 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 Flows 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:
 - a) During the year ended March, 2023 includes gain on sale of property developed under Joint Development Agreement amounting to Rs. 664.44 Lakhs.
 - b) During the six months ended September, 2022 and year ended March, 2023 includes an amount of Rs. 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 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 6 On 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. 12,723 lakhs.

Application money of Rs. 53.02 per warrant equivalent to 25% of the issue price as warrant subscription money, amounting to Rs. 3,181 lakhs 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 31st October, 2023.

As at 30th October, 2023 an amount of Rs.1,749 lakhs as balance 75% of Warrant Exercise Price for 11,00,000 warrants have been received for conversion, accordingly 11,00,000 equity shares have been allotted by the Company.

On 30th October, 2023 an amount of Rs. 64 lakhs as balance 75% of Warrants Exercise Price for 40,000 warrants have been received for conversion into equity shares, which are pending for allotment.

The balance amount of Rs. 7,729 lakhs with respect to 48,60,000 warrants shall be payable by the warrant holders on or before 31st December, 2023 after receipt of a written notice from the company as approved in the Board meeting dated 30th October, 2023.
- 7 During the year ended March, 2023, the Company has earned taxable profits and pursuant to which it was able to recoup its unabsorbed losses / depreciation. Hence, during the year ended March, 2023 Company has recognised net deferred tax assets of Rs. 3,339 Lakhs on all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference will be utilized.
- 8 Previous periods figures have been regrouped/ reclassified wherever necessary.



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

Anjan Chatterjee
Chairman & Managing Director
(DIN : 00200443)

Place: Mumbai
Date: 30th October, 2023



Speciality Restaurants Limited
Statement of Consolidated Cash Flows for the half year ended 30th September 2023

₹ In Lakhs

Particulars	For the period ended 30 September, 2023	For the period ended 30 September, 2022
Cash flow from Operating Activities		
Profit / (Loss) before tax	1,581	2,806
Adjustments for:		
Depreciation, amortisation and impairment - property, plant and equipment	537	480
Depreciation and impairment - right of use asset	1,439	971
Exceptional item	-	-
Gain on sale of property, plant and equipment (net)	(9)	(1)
Gain on lease modification / termination	(289)	(2)
Profit on sale of investments (net)	(278)	(29)
(Gain)/loss on fair value of investments (net)	(178)	(203)
Finance costs	739	684
Impairment charge on property, plant, equipment	38	48
Interest income from banks/others	(39)	-
Interest on income tax refund	-	(4)
Dividend on current investments	(4)	(11)
Unwinding effect of security deposits	(135)	(138)
Sundry balances written off	0	3
Sundry balances written back	1	-
Unwinding effect of deposit received rent	(7)	-
Share in (gain)/loss of joint venture	(93)	41
Provision for doubtful debts and advances	-	-
Payable on account of gratuity (net)	56	50
Deferred Rent amortisation	122	-
Operating Profit before working capital changes	3,481	4,695
Adjustments for (increase)/decrease in operating assets:		
Inventories	(138)	(337)
Trade receivables	(203)	(344)
Other current financial assets	(347)	(274)
Other non-current financial assets	351	366
Current loans	(6)	(5)
Non-current loans	(25)	(11)
Other current assets	(398)	(420)
Other non-current assets	3	(13)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	975	868
Other current liabilities	(193)	59
Other non-current financial liabilities	2	(14)
Other current financial liabilities	22	121
Non - current provision	(42)	70
Cash generated from operations	3,483	4,761
Net income tax (paid)/refund	(470)	(154)
A. Net cash generated from operating activities (A)	3,013	4,607
B. Cash flow from Investing Activities		
Capital expenditure on property, plant and equipment	(1,583)	(721)
Proceeds from sale of property, plant and equipment	14	6
Investment in subsidiary company	3	-
Proceeds/ (Investment) in current investment other than mutual fund	-	-
Investment in mutual fund	(91)	(2,493)
Proceeds from sale of mutual fund	930	-
Interest received	39	-
Dividend received	4	11
Liabilities directly associated with assets held for sale	199	498
Goodwill on acquisition	-	(3)
B. Net cash used in Investing Activities (B)	(485)	(2,702)
C. Cash flow from Financing Activities		
Payment of Lease liability	(2,077)	(1,915)
Share Warrants issued	636	-
C. Net cash used in Financing Activities (C)	(1,441)	(1,915)
Net increase in cash and cash equivalents (A+B+C) = (D)	1,088	(10)
Cash and cash equivalents at the beginning of the year (E)	643	180
Cash and cash equivalents at the end of the year (D) + (E)	1,731	170

