

*Singhi & Co.*

*Chartered Accountants*

B2 – 402B, Marathon Innova, 4<sup>th</sup> Floor, Off Ganpatrao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400013. India

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**Independent Auditor’s Report on the Standalone 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 standalone annual financial results of **Speciality Restaurants Limited** (the “Company”) for the year ended 31 March 2021 (“Statement”), attached herewith, being submitted by the 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, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and total comprehensive loss and other financial information of the Company for the year ended 31 March 2021.

**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”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Results” 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial results.



**KOLKATTA (HO)**

**NEW DELHI**

**CHENNAI**

**MUMBAI**

**BANGALORE**

### **Emphasis of matter**

We draw attention to Note 4 to financial results, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance and impact on the carrying value of its assets as at 31 March 2021 as assessed by the management. 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.

### **Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable 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. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone 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

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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 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 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 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 Company 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.

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 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.

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### **Other Matters**

The Statement includes the results for the quarter ended 31 March, 2021 being the balancing figure between the audited figures in respect of the full financial year ended 31 March, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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



A handwritten signature in blue ink, appearing to read "M. Agal".

**Milind Agal**  
Partner

Membership No. 123314

Place: Mumbai  
Date: 23 June, 2021

UDIN: 21123314AAAAAE9909

**KOLKATTA (HO)**

**NEW DELHI**

**CHENNAI**

**MUMBAI**

**BANGALORE**

**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 Standalone Audited Financial Results for the quarter and year ended 31st March 2021**

₹ in Lakhs (Except per share data)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021 (Audited) Note 8	31.12.2020 (Unaudited)	31.03.2020 (Audited) Note 8	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Revenue from operations	6,542	5,681	7,541	15,014	35,779
2	Other Income	961	267	302	1,666	1,013
3	<b>Total Revenue</b>	<b>7,503</b>	<b>5,948</b>	<b>7,843</b>	<b>16,680</b>	<b>36,792</b>
4	<b>Expenses</b>					
	(a) Cost of food and beverages consumed	1,964	1,736	2,463	4,520	11,348
	(b) Employee benefits expense	1,295	1,036	1,765	3,383	8,202
	(c) Finance costs	403	424	520	1,650	2,115
	(d) Depreciation/amortisation/impairment	800	818	1,179	3,224	5,749
	(e) Lease rent	341	697	571	1,981	1,206
	(f) Other expenses	1,852	1,601	2,395	5,275	9,340
	<b>Total Expenses</b>	<b>6,655</b>	<b>6,312</b>	<b>8,893</b>	<b>20,033</b>	<b>37,960</b>
5	<b>Profit/(Loss) before exceptional Items &amp; tax (3 - 4)</b>	<b>848</b>	<b>(364)</b>	<b>(1,050)</b>	<b>(3,353)</b>	<b>(1,168)</b>
6	<b>Exceptional Gain/(Loss) (Refer Note no. 5)</b>	-	-	(2,738)	436	(2,738)
7	<b>Profit/(Loss) before tax (5 - 6)</b>	<b>848</b>	<b>(364)</b>	<b>(3,788)</b>	<b>(2,917)</b>	<b>(3,906)</b>
8	<b>Tax expense</b>					
	a) Current tax	-	-	-	-	-
	b) Deferred tax	-	-	-	-	-
	c) (Excess)/Short provision for tax relating to prior years	17	-	-	17	(90)
		17	-	-	17	(90)
9	<b>Profit/(Loss) after tax for the period (7 - 8)</b>	<b>831</b>	<b>(364)</b>	<b>(3,788)</b>	<b>(2,934)</b>	<b>(3,816)</b>
10	<b>Other comprehensive income (OCI) (Net of tax)</b> Items that will not be reclassified to profit or loss	70	(19)	(31)	26	(69)
11	<b>Total comprehensive income for the period (9 - 10)</b>	<b>901</b>	<b>(383)</b>	<b>(3,819)</b>	<b>(2,908)</b>	<b>(3,885)</b>
12	Paid-up equity share capital (Face value of ₹ 10/- per share)	4,696	4,696	4,696	4,696	4,696
13	Other Equity	-	-	-	9,004	11,912
14	<b>Earnings per equity share (of ₹ 10/- each) (not annualised for)</b>					
	(a) Basic	1.77	(0.78)	(8.07)	(6.25)	(8.13)
	(b) Diluted	1.77	(0.78)	(8.07)	(6.25)	(8.13)
	<b>See accompanying notes to the financial results</b>					





**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 23rd June, 2021.
- 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 The Company's financial performance for the quarter and year ended has been impacted by Covid 19 related developments. Given the unprecedented circumstances, the results for the quarter and year ended are not comparable with that of the corresponding quarter and year ended of the previous year.
- 4 The operations recommenced as permitted by local regulations and as on date most of our restaurants and confectionery stores are operational. Selectively at the local level, various restrictions continue to apply and consequently impact operating performance. Nevertheless, the trajectory of revenues have continued to improve month on month post reopening.

The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company has used external and internal information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions and based on the current estimates, the Group Company that the carrying value of the assets as at 31st March, 2021 is fully recoverable. 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.

Consequent to Covid-19 pandemic, the Company has been in discussion with most of the Landlords for its restaurant and confectionery properties for waiver/discounts on rent and common area maintenance expenses during the lockdown period and also for the period thereafter. The Company has received various concession/rebates from the Landlords with few of them still under discussion, the Company following a prudent accounting practice has/will recognize these concessions/rebates in accordance with the applicable accounting standard.

- 5 During the year ended 31st March, 2021 some units which were terminated as on 31st March, 2020 recommenced operations post re-negotiation of rentals with the property owners, hence the impairment gain has been shown as exceptional item. In the previous year ended 31st March, 2020 the Company had decided to close certain restaurants due to financial unviability because of Covid -19 pandemic. Due to this the Company had carried out Impairment Testing as per Ind AS 36 of the assets as at 31st March, 2020 and had recognized impairment loss under the head Exceptional item. Right of Use Asset and Lease Liability recognized as per Ind AS 116 had been reversed for units closed and the balance is recognized as an Exceptional gain. Relevant details are as under:

Particulars	₹ in Lakhs	
	31 March,2021	31 March,2020
i) Impairment of Property, Plant and Equipment	436	(2,545)
ii) Impairment of Right of Use Asset	-	(1,645)
iii) Gain on lease modification/ termination	-	1,452
<b>Total</b>	<b>436</b>	<b>(2,738)</b>

- 6 Other income for the quarter and year ended 31st March, 2021 includes net effect of de-recognition of related right of use assets and lease liabilities for closed units amounting to Rs. 712 lakhs and Rs. 803 lakhs respectively.
- 7 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.
- 8 The results of the quarter ended 31st March 2021 and 31st March 2020 are the balancing figure between audited results in respect of full financial year and published year to date results up to third quarter of relevant financial year.
- 9 Previous period / year figures have been regrouped, wherever necessary.

For and on behalf of the Board  
For Speciality Restaurants Limited



Anjan Chatterjee  
Chairman & Managing Director  
(DIN : 00200443)

Place: Mumbai  
Date: 23rd June, 2021

Particulars	Standalone		Consolidated	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
	Audited	Audited	Audited	Audited
<b>ASSETS</b>				
<b>Non-current assets</b>				
a. Property, plant and equipment	5,357	5,456	5,357	5,456
b. Right of use asset	9,622	9,982	9,622	9,982
c. Capital work-in-progress	2,903	3,312	2,905	3,312
d. Intangible assets	143	166	143	166
e. Financial assets				
i. Investments				
(a) Investment in equity instruments	1,024	1,024	892	759
(b) Other investments	2	2	2	2
ii. Loans	2,302	2,047	2,302	2,047
iii. Other financial assets	-	-	-	-
f. Other non-current assets	1,907	2,648	1,907	2,648
<b>Total non-current assets</b>	<b>23,260</b>	<b>24,637</b>	<b>23,130</b>	<b>24,372</b>
<b>Current assets</b>				
a. Inventories	581	738	581	738
b. Financial assets				
i. Other investments	6,454	6,143	6,454	6,143
ii. Trade receivables	317	231	317	231
iii. Cash and cash equivalents	711	144	724	167
iv. Bank balances other than (iii) above	9	8	9	8
v. Loans	956	2,042	956	2,042
vi. Other financial assets	79	228	175	394
c. Other current assets	890	790	904	792
<b>Total current assets</b>	<b>9,997</b>	<b>10,324</b>	<b>10,120</b>	<b>10,515</b>
<b>Total Assets</b>	<b>33,257</b>	<b>34,961</b>	<b>33,250</b>	<b>34,887</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity share capital	4,696	4,696	4,696	4,696
b. Other equity	9,004	11,912	8,837	11,685
<b>Total equity</b>	<b>13,700</b>	<b>16,608</b>	<b>13,533</b>	<b>16,381</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities				
i. Other financial liabilities	12,221	11,099	12,221	11,099
b. Provisions	610	489	610	489
<b>Total non-current liabilities</b>	<b>12,831</b>	<b>11,588</b>	<b>12,831</b>	<b>11,588</b>
<b>Current liabilities</b>				
a. Financial liabilities				
i. Trade payables				
- total outstanding dues of micro enterprises and small enterprises	2	2	2	2
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,253	3,398	3,296	3,397
ii. Other financial liabilities	3,028	2,826	3,028	2,826
b. Other current liabilities	443	539	560	693
<b>Total current liabilities</b>	<b>6,726</b>	<b>6,765</b>	<b>6,886</b>	<b>6,918</b>
<b>Total liabilities</b>	<b>19,557</b>	<b>18,353</b>	<b>19,717</b>	<b>18,506</b>
<b>Total Equity and Liabilities</b>	<b>33,257</b>	<b>34,961</b>	<b>33,250</b>	<b>34,887</b>

For and on behalf of the Board

For Speciality Restaurants Limited



Anjan Chatterjee  
Chairman & Managing Director  
(DIN : 00200443)  
Date: 23rd June, 2021

**Speciality Restaurants Limited**  
Statement of Standalone Cash Flows for the Year Ended 31st March 2021

₹ In Lakhs

Particulars	Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>Cash flow from Operating Activities</b>			
<b>Loss before tax</b>		<b>(2,917)</b>	<b>(3,906)</b>
<b>Adjustments for:</b>			
Depreciation, amortisation and impairment - property plant and equipment		1,304	(22,734)
Depreciation right of use asset		1,920	5,295
Exceptional item		(436)	27,378
Loss/(Gain) on sale of Property, plant and equipment (net)		74	(2)
Gain On Disposal Of Right Of Use Asset		(803)	(1,514)
Profit on sale of investments (net)		(57)	(599)
Gain on fair value of investments (net)		(260)	178
Finance costs		1,650	2,115
Interest income from banks/others		(13)	(72)
Interest on income tax refund		(16)	(15)
Unwinding effect of security deposits		(233)	(365)
Sundry balances written off		103	175
Sundry balances written back		(145)	(168)
Provision for doubtful debts and advances		166	19
Payable on account of gratuity (net)		147	87
<b>Operating Profit before working capital changes</b>		<b>484</b>	<b>5,871</b>
<b>Adjustments for (increase)/decrease in operating assets:</b>			
Inventories		157	(69)
Trade receivables		(253)	289
Other current financial assets		149	144
Other non-current financial assets		240	(1,556)
Current loans		1,084	(1,695)
Non-current loans		(255)	1,133
Other current assets		(164)	360
Other non-current assets		(30)	(12)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>			
Trade payables		1	(720)
Other current liabilities		(96)	(7)
Other non-current financial liabilities		26	(47)
Other current financial liabilities		96	591
Non - current provision		-	69
<b>Cash generated from operations</b>		<b>1,439</b>	<b>4,352</b>
Net income tax (paid)/refund		541	(83)
<b>A. Net cash generated from operating activities (A)</b>		<b>1,980</b>	<b>4,268</b>
<b>B. Cash flow from Investing Activities</b>			
Capital expenditure on property, plant and equipment		(394)	(1,949)
Proceeds from sale of property, plant and equipment		55	28
Investment in subsidiary company		-	(628)
Proceeds/ (Investment) in corporate bond		501	(7)
Investment in mutual funds		(1,962)	(6,254)
Proceeds from sale of current investments		1,466	7,355
Interest received		13	72
<b>B. Net cash used in Investing Activities (B)</b>		<b>(321)</b>	<b>(1,384)</b>
<b>C. Cash flow from Financing Activities</b>			
Repayment of long-term borrowings		-	-
Payment of Lease liability		(1,092)	(3,575)
<b>C. Net cash used in Financing Activities (C)</b>		<b>(1,092)</b>	<b>(3,575)</b>
<b>Net increase in cash and cash equivalents (A+B+C) = (D)</b>		<b>567</b>	<b>(690)</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>		<b>144</b>	<b>835</b>
<b>Cash and cash equivalents at the end of the year (D) +(E)</b>		<b>711</b>	<b>144</b>

