



**THERE IS  
NO SINCERER LOVE  
THAN  
THE LOVE OF FOOD.**  
GEORGE BERNARD SHAW

Annual Report 2019



**SPECIALITY**  
RESTAURANTS LTD.

MAKING YOU FEEL SPECIAL









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# Our Mission

To consistently provide world-class cuisine and experience at an affordable price.

To create a dining experience whose uniqueness lies in elegance and refinement, brought alive by care and personalized service in a warm, vibrant environment, that makes everybody feel special.

## Curtain Raiser

What does one do after successfully crossing a milestone of 25 years? Start all over again! And that's exactly what we did at Speciality Restaurants Ltd. but with more determination, with renewed focus to beat the odds and better all what we did over the last 25 years.

We, at all our restaurants, have always believed that "There is no sincerer love than the love of food – George Bernard Shaw". We all know that food is the basic need of every human being and we strive to meet that need in the most satisfying way. More than three thousand two hundred associates at Speciality Restaurants bring this belief to work everyday, creating a special dining experience for all our guests and stake holders bringing joy and happiness in their lives.

Speciality Restaurants Ltd. is the largest chain of restaurants in the fine dining sector with restaurants across India, UAE, Sri Lanka, Bangladesh and Tanzania. Our flagship brand "Mainland China" serves authentic cuisine of Chinese provinces while

it's refreshed version, Asia Kitchen serves pan-Asian cuisine in a semi-casual dining format. Gong and Progressive Oriental House (POH) are the other newer brands of similar genre, serving Pan-asia cuisine but in fine dining formats with value offerings to different target audience.

The group's power brands include Oh! Calcutta serving authentic 300 year old flavours of Calcutta, Sigree Global Grill offering unlimited serving of global grilled flavours over live grillers on each table while Sweet Bengal serves authentic Bengali sweets made with pure cow's milk by artisans from Bengal. In it's portfolio the group also has a casual dining format in the form of Café Mezzuna all day bar and kitchen and Hoppipola as a playful bar and kitchen for the young millenials.

Other brands of the group are Haka, Flame & Grill, Machaan, Zoodles, Jungle Safari, Dariole (confectionery) with a number of most recent additions like Episode One, Riyasat and Hay.

Anjan Chatterjee  
Chairman & Managing Director



## Chairman & Managing Director's Perspective

Dear Shareholders,

I am pleased to share your Company's performance for the financial year 2018-19. Last year has seen the early signs of a turnaround with the hope of sustained growth in the coming years. Opportunities in food and beverage sector in India continue to remain very attractive, bolstered by secular trends of a young population, growing affluence, rising urbanisation, increase in disposable income, growth of organised retail and burgeoning digital connectivity – all of which are driving consumption. Your Company's strong and versatile portfolio of brands, cuisines, personalized service and understanding of guest experience has enabled us to deliver the current performance and build an enduring presence in the minds of your customers.

Your Company continues to place their mission at the heart of the business as they believe that brands with purpose grow; companies with purpose last; and people with purpose thrive. In the year under review, for the first time your company achieved a turnover of over Rs. 350 crores, registering a growth of 16.78% as against the previous year. The EBITDA margins were 6.6%, registering a growth of 170% as against the previous year.







The increase in revenue from operations was mainly due to the same store sales growth of 12.5% and contributions from new units launched during the year.

Your Company's success depends on the value and relevance of its brands and products to consumers and on its ability to innovate and remain competitive. Your Company's ability to identify change in consumer tastes, preferences and behaviours and respond to these changes are vital to its business success.

Your Company launched a number of new brands viz. 'Episode One' at Kolkata, as an extremely high profile modern wet-led format; 'Riyasat' at South City Mall, Kolkata, a fine dining restaurant offering royalty inspired Indian cuisine. Also to appeal to millennials launched 'Hay' at Begumpet, Hyderabad (converting Kibbeh) as a high energy conversational and drinking space. The initial response of these new brands launched are very positive and encouraging. Meanwhile the existing established brands viz. 'Mainland China', 'Asia Kitchen by Mainland China', 'Oh! Calcutta', 'Sigree Global Grill', 'Café Mezzuna',

'Gong', 'Flame & Grill', 'Hoppipola', 'POH' as well as confectionary brands, 'Sweet Bengal' and 'Dariole' improved their performance attracting new customers.

Your Company continued to counter the challenges faced for the last three years with measures such as menu re-structuring, back-to-basics training starting from the kitchen, aggressive cost control initiatives, focus on delivery while pursuing the initiative of making pleas to the government as a part of National Restaurant Association of India for re-introduction of input tax credit.

Having successfully combat the challenges of the last few years, your Company has made some exciting forays into international markets. The Mainland China Asia Kitchen, Dubai has been receiving tremendous response and there are already expressions of interest in expanding into other regions in the Middle East like Muscat and Bahrain. The recently launched Hoppipola in Dar-es-Salaam, Tanzania is already creating a buzz even at such an early stage. An experimental pop-up of the Indian cuisine restaurant – Riyasat in Doha, was so successful that



there is an expressed opportunity of a long term franchise of the brand at St Regis Hotel, Doha.

Your Company's initiative in London recognises the interest and need for Indian flavours in an increasingly global palate and expect the first London restaurant to be launched during the coming year.

The USA is yet another destination where your Company has seen a lot of interest in its dining formats and brands. The enormous Indian diaspora have shown an overwhelming interest in the flagship brand Mainland China and also Oh! Calcutta having a presence there. Your Company is exploring opportunities in these regions and is optimistic about seeing the fructification of some of these in the coming years.

Home delivery is yet another area that is rapidly growing. Your company is also exploring ideas of Cloud Kitchens to capitalise on this space in conjunction with delivery partners, as well as cuisine that lends itself best to this format.

Your Company believes that the turbulence of the last year is behind us except for the withdrawal of

ITC (input tax credit). However your Company has countered the headwinds better with innovation and resilience. Your Company is optimistic about the future and confident about harnessing newer growth opportunities in food services industry that will enable your Company to continually move towards sustainable growth and profitability to stay ahead of the curve.

I would like to take this opportunity to thank each and every person who has reposed their faith in us, employees, partners, customers and all stakeholders for their commitment and service to Speciality Restaurants. I would also like to thank the Board of Directors for their unstinted support.

Most importantly, I would like to thank you, shareholders, for your overwhelming trust, support and confidence in Speciality Restaurants Limited.

Warm Regards,

**Anjan Chatterjee**  
(Chairman and Managing Director)



# Our foundation, built on brands

Every brand of ours has created its own niche.

They operate and constitute an important aspect of our strategic roadmap over the next several years. Our pre-defined rules and standards have allowed a smooth run for all the franchise and continuing this trend will inch us closer to near and long-term goals and success.





# Flagship Brands

## MAINLAND CHINA



### Mainland China

This is the kingdom of Mainland China, beyond the Great Wall. A place where all dreams come true.

Today, this flagship brand of Speciality Restaurants has a countrywide presence in the form of 39 outlets across 20 cities in India serving customers with authentic Chinese cuisine. To its credit it has remained one of the most favoured and popular Chinese fine dining restaurant chain catering to the Indian taste buds over 25 years. The overwhelming popularity has taken the brand to international destinations viz. Tanzania, Bangladesh and Colombo (Sri Lanka) thereby earning a reputation of serving the finest Chinese cuisine suited for the Indian palette outside China, to discerning gourmets all over the world.

It enjoys top of the mind brand recall and sustained loyalty of its customers over the years.

## ASIA KITCHEN BY MAINLAND CHINA



### Asia Kitchen by Mainland China

Asia Kitchen by Mainland China is refreshed new semi-casual format of Mainland China in a relaxed ambience serving exciting pan-asian cuisine from selections of Thai, Japanese, Malaya, Myanmar, Singapore, Hong Kong and of course China.

After receiving tremendous response in Mumbai, Kolkata, Bangalore and Chennai, the first outlet internationally is now in operation at Burjuman Mall in Dubai, UAE. This exciting new format with live kitchen and innovative take on street food is creating ripples in the dining circles.

Asia Kitchen by Mainland China is a refreshed new format of Mainland China with exciting Pan-Asian flavours with open kitchen and semi-casual ambience.

# Core Brands

Oh! Calcutta



## Oh! Calcutta

Launched into 1992 as 'Only Fish', it was re-branded as 'Oh! Calcutta' and currently has nine operational outlets across the country.

With a rare cuisine that celebrates Calcutta's melting pot of cultures, Oh! Calcutta's appeal reaches out to food connoisseurs far beyond Bengali's looking for their home flavours. It's a resurrection of 300 year old recipes well researched to give a contemporary expression in the form of grilled and steamed specialties, deftly balancing the traditional flavours with amalgamation of authentic ingredients and spices to appeal to a global audience. Keeping the elegance and creativity of the cuisine at heart, the brand is constantly pushing the envelope for the newer experiences of traditional flavours.

sigree

GLOBAL GRILL



## Sigree Global Grill

Sigree Global Grill has emerged as a popular brand with the concept of live grills on each table, display kitchen, interactive cooking with skillful displays by master chefs inspired by changing taste-buds.

The menu features a melange of fresh, unlimited grilled flavours from all around the world like Mediterranean, Oriental, Spanish, Mexican and Indian Cuisine at all inclusive price points.

