

# Annual Report 2021



**SPECIALITY**  
RESTAURANTS LIMITED



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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

As you are all aware that last year has been extremely challenging due to impact of the unprecedented COVID 19 pandemic and the hospitality sector was probably one of the worst sufferers. Extended period of nationwide lockdown and stringent Covid protocols were put in place. However, your company was relatively quick to assess the situation and take decisive steps to minimise the damage, clean up the system, made drastic reduction in overhead costs and reorganised its structure and processes to be ready for the 'new normal' journey ahead.

While we took some hard decisions and closed down a few of our non-viable outlets, we added a new dimension to our business – operating 'Kitchen-within- kitchens' and independent Cloud kitchens'. This will be the new norm going forward where dine-in footfalls may remain challenged with more and more people preferring to order out or drop in for take-away. Moreover, the new Cloud Kitchens are mostly being taken as a built-up kitchen and so operating on a 'plug & play' model which requires very low investments and also helped us to reduce manpower costs, food costs due to rationalising the menu's, low rental and maintenance charges and also reduction in overhead costs while increasing the reach of our brands in hitherto unrepresented markets thereby helping us to strengthen our brand equity. We have restarted all over again! But with more determination and renewed focus to beat the odds and better our performance than what we did over the last few years. 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.

Speciality Restaurants Ltd. is the largest chain of restaurants in the fine dining sector with restaurants across India, UAE(Dubai), Qatar (Doha), Bangladesh and Tanzania (Dar e salaam) and soon to open in UK(London) and USA. Our flagship brand Mainland China serves authentic cuisine of Chinese provinces while it's younger and refreshed version ie. Asia Kitchen serves pan-Asian cuisine in a semi-casual dining format. Haka has been a recent addition to our Cloud Kitchen format in the same genre ie. haka style Chinese cuisine and which has shown good results in terms of revenue with wide range of quick bites and other value offerings primarily to a younger target audience in the mid-market segment and holds promise for dine-in formats also at a later stage which will help the company to scale its operations at lower costs.

The group's power brands include Oh! Calcutta serving authentic 300-year-old flavours of Calcutta, Sigree Global Grill offering unlimited serving of grills of the world over live grillers on each table while Sweet Bengal serves authentic Bengali sweets made with pure cow's milk by artisans from Bengal.





## Chairman & Managing Director's Perspective

**Anjan Chatterjee**  
Chairman & Managing Director

Dear Shareholders,

It gives me great pleasure to share with you, your Company's performance for the financial year 2020-21.

To state that the year 2020-21 was challenging would be putting it mildly as the whole world was caught grappling with an invisible enemy. The COVID 19 pandemic was so sudden and unprecedented that it wrecked havoc and sadly it's not the end of it. It had a significant impact not only on the human lives but also on their living. Almost all industries barring healthcare bore the brunt and the Hospitality industry was one of the worst sufferers. The global hospitality industry which was estimated to be worth over \$700 billion in 2020, has now been reforecasted to \$447 billion as a result of the coronavirus pandemic. The Indian hospitality industry has taken an estimated hit of over Rs 1.3 trillion which is approximately 75 per cent of the industry's revenue for the fiscal year 20-21 due to the Covid pandemic.

As the pandemic hit the country a nationwide lockdown was imposed, initially for two weeks which gradually got extended to over six months in some of the most affected states. This brought all activities to a standstill overnight with the whole population locked inside the four walls of their homes and so all our outlets also had to be shut down. Even when relaxations started trickling in between 3-6 months it was with severe restrictions of timing and capacity utilisation at restaurants on top of mounting overhead expenses and outgo in providing relief to our staff, severely affected our business specially in the first two quarters of the financial year.

We also had to take some hard decisions resulting in permanent closure of some outlets and booking substantial losses.

However, I am happy to state that your Company handled the crisis deftly taking several instinctive decisions that were extremely beneficial – first ensuring the safety of our staff by closing down operations temporarily, well before the government declared a nationwide lockdown and facilitated all our staff to leave and reach their respective homes. Secondly it focussed on strengthening the equity of its brands by ensuring business continuity and reaching out to consumers braving all odds. With a very limited staff strength we started delivery operations from just a few select outlets in each city. Interestingly, we had an ensemble of the kitchen team who were skilled in different cuisines of our brands. So as an experiment we started a new concept of operating 'kitchen-within-kitchen' ie. dishing out different menu's from our brand basket like Mainland China, Asia Kitchen and Oh!Calcutta from the Mainland China kitchen and that too with much less manpower. While deliveries were primarily through aggregators we also started our own deliveries following all covid protocols rigidly and maintaining highest standards of safety which soon was talked about on social media.



This was an eye opener and we realised that deliveries was a strategic move to survive in coming times. We also started identifying new independent ready kitchen locations and started operating them as 'Cloud Kitchens' which required negligible investment and minimum manpower strength and this would ultimately be the format in the short, mid and long term. The challenges have transformed our business model to create a new work order.

Since the most important ingredient of our business has been our people your Company has always been committed to look after them and their welfare. A Covid Care Committee was formed who responded to the needs of its employees around the clock. A special 'Corona Kavach' policy (Covid Insurance policy) including compensation in case of any fatality for the deceased family was taken for the first time over and above mediclaim coverage, vaccination done for all employees on rolls from private hospitals, foodgrain and basic necessities were sent across to various staff and providing subsistence allowance were some of the proactive measures taken to safeguard lives of our people.

Strategic decisions were also taken and executed with closure of unviable units, implementing aggressive cost control measures while bringing in change in service design, contactless ordering, rationalisation manpower requirements, renegotiations on aggregators commissions, securing waivers and concessions from owners on rental and maintenance charges. All these added up to help the Company to not only survive but it started showing positive results in Q3 and in Q4 we actually generated a positive EBIDTA, when dine-in was allowed.

## Going Forward

Thankfully, when the second wave hit the country the lessons learnt from the first wave of the pandemic was invaluable as your Company was much more organised to handle the situation. Having made inroads and creating footprints with its brand basket offering multiple choices for consumers in markets where they were not present through its Kitchen-within-Kitchen and Cloud Kitchen formats and the results of these strategies will be felt in the current year. Your Company has planned to set up many more such Cloud Kitchens all over India in coming times while almost all its restaurants are operating currently as Kitchen-within-Kitchen formats.



Going forward your Company plans to dominate the asian cuisine space with it's bouquet of brands from Mainland China, Asia Kitchen, Haka, Zoodles with different offering at different price points to cater to different segments and slated to introduce another Asian food brand for which piloting is currently underway. Meanwhile Haka which was restricted as a dining outlet in Kolkata only is showing good colour as an additional Cloud Kitchen brand and holds promise as a dine-in brand for expansion in future catering to the mid-market segment.

It looks like the pandemic is now getting into an endemic situation and should quickly settle down with increased vaccination and hopefully that would lead to better footfalls at our outlets. Your Company is well prepared and have already taken some decisive steps like forming a separate vertical for food delivery business with renegotiated terms of food aggregator's commission and is geared up to get into a revival mode soon.

Despite all this turbulence there is a silver lining as restrictions in the UK has been eased and we should be in a position to start the operations of our flagship project, CHOURANGI, our first restaurant in London serving Calcutta food very soon.

The lessons learned are being pursued and put to practice in building a sustainable business matrix which would possibly be the backbone for a strong revival of the Company and I remain optimistic primarily because of the judicious measures we have taken to stem the impact of the pandemic and the swiftness with which we adapted to the new normal.

I would also like to take this opportunity to thank each and every stakeholder 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 and in this pandemic the exponential growth of our delivery business has reinforced our belief in the power of our brands. Our standard SOP's have allowed a smooth run for all the franchisee's and continuing this trend will inch us closer to near and long-term goals and success.

## Flagship Brands

IF IT'S CHINESE, IT'S  
**MAINLAND  
CHINA**

If it's Chinese, It's Mainland China. Mainland China, flagship brand of Speciality Restaurants has acquired great reviews, acclaim, top of the mind recall and a loyalty among gourmets for over 25 years. Its offerings have the subtle blending of spices, perfect balance of Ying Yang flavours, the toss of the wok or the tempering of the sauces lend a unique flavour to its dishes brings harmony and contrasting aspects of 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.





Our Chefs at Mainland China excel at preparing authentic dishes that delight the taste buds. The crunchiness of the garlic pepper chicken, the spicy hot crab chilli, the crispy dim sums, the fish cooked in a light sauce tempered in spices that cool the palate, the gently tossed noodles, glistening with a rich sauce, the light fluffy fried rice, the piping hot soup ideal to whet your appetite will tempt you to sit back and enjoy a meal that takes you on a culinary journey from Sichuan to Jiangsu, to the bustling streets of Beijing.

Over the years it has won almost all the top awards in the country and has repeated it again winning the 'Best Chinese Restaurant' – Times Food and Nightlife Awards 2021.

## ASIA KITCHEN by MAINLAND CHINA

Welcome to a culinary journey through the food streets of Asia! Experience the ambient set up and the 'open live kitchen view', a first of its kind, where our Master Chefs braise, blend, toss, temper and whip up signature delicacies inspired from regions of Asia and beyond. The open live kitchen is one of the most intriguing aspects of this brand, where you can experience first-hand the magic that the chefs create which can equal any work of art promising a gastronomic adventure into the streets of Asia and beyond

Riding on the tremendous response, appreciation and popularity from its first outlet in Dubai at Burjuman Mall the second outlet in Dubai is scheduled to open shortly.

It has won the prestigious Times Food and Nightlife Awards 2021 in the category of 'Best Oriental Restaurant-Casual Dining'.



## Core Brands

# Oh! Calcutta

— The Taste of Joy —

The challenge of Oh! Calcutta's cuisine was to recreate the lost taste of the 300 year old recipes of traditional dishes. Our master chefs researched and unearthed those authentic recipes and recreated them for the modern generation. Since then, Oh! Calcutta has been one of the most talked about traditional fine dine restaurants.

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.

It has again won 'Best Bengali Restaurant' – Times Food and Nightlife Awards 2021.

