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February 5, 2025

To,

General Manager,
Listing Operations,
BSE Limited,
P.J. Tower, Dalal Street,
Mumbai - 400 001.

Scrip Code : 534425

Vice President,
Listing Compliance Department,
National Stock Exchange of India Limited,
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.

Scrip Code : SPECIALITY

Dear Sir/ Madam,

Sub: Transcript of Conference Call held for presenting the results for Q3FY25 Results Conference Call.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Conference Call held on February 3, 2025 for presenting the results for Q3FY25 Results Conference Call.

This will also be hosted on Company's website at www.speciality.co.in.

We request you to kindly take the above on record.

Yours sincerely,
For **Speciality Restaurants Limited**

AVINASH MADHUKAR KINHIKAR
Digitally signed by AVINASH MADHUKAR KINHIKAR
Date: 2025.02.05 15:05:38 +05'30'

Authorized Signatory

Name: **Avinash Kinhikar**
Designation: **Company Secretary and Legal Head**

Encl: As above

"Speciality Restaurants Limited

Q3 FY25 Results Conference Call"

February 03, 2025

MANAGEMENT: **MR. ANJAN CHATTERJEE – CHAIRMAN AND MANAGING DIRECTOR – SPECIALITY RESTAURANTS LIMITED**
MR. AVIK CHATTERJEE – WHOLE TIME DIRECTOR – SPECIALITY RESTAURANTS LIMITED
MR. RAJESH MOHTA – EXECUTIVE DIRECTOR, FINANCE AND CHIEF FINANCIAL OFFICER – SPECIALITY RESTAURANTS LIMITED

MODERATOR: **MR. KARAN BHUWANIA – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference Call of Speciality Restaurants hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Bhuvania from ICICI Securities. Thank you and over to you, sir.

Karan Bhuvania: Thank you. Good afternoon, everyone. It's a pleasure at ICICI Securities to host Q3 FY25 Results Conference Call of Speciality Restaurants Limited. In the management today, we have Mr. Anjan Chatterjee, Chairman and Managing Director, Mr. Avik Chatterjee, Whole Time Director, and Mr. Rajesh Kumar Mohta, Executive Director, Finance and CFO. I now hand over the call to the management for their opening remarks, post which we can open for Q&A. Thank you, and over to you, sir.

Anjan Chatterjee: Good afternoon. I don't know how much was heard in the last preamble of mine. So while the results have been published and all of you must have got a copy and detailed it in your own way and have questions, the reason I'm talking first is to give you an overall overview of the strategy that we have formed. In the last con-call also, we had discussed the same thing. The strategy of the company continues to be focusing on the Oriental bit, that's Asian bit of the market, which we have dominated over a period of time with Mainland China as the anchor brand.

Now Asia Kitchen is the new growth engine. Along with that, there are 1 or 2 variants because as you know that people want innovation. There are new players coming in and without so much of a legacy, even they are doing good. Gong is an example, which has been in Pune, one of the most profitable stores with the kind of square feet it has. Then we have gone into Asia Kitchens all over India, wherever there's a mall or a balance of mall, primarily mall and stand-alones.

And there is a new format because we need to reinvent ourselves to give the same offering. Vibe has become very important these days. Mainland China has been a kind of a slightly formal kind of place. So we had to move out because of the ecosystem changing to the Asia Kitchen, which Avik, my son, as he came into the business, started renovating and reinventing.

Then the new format is Bizarre Asia. Bizarre Asia is a format which has not been necessarily seen in the Oriental space. It's a 10,000 square feet space. And it is a complete different kind of experience, which we have given to the customers either in Mainland China or in Asia Kitchen.

It's the whole economy of this area where we are talking about food and beverage or any economy is based on experience economy. So we are trying to -- within the ambit of our own Mainland China being the anchorage or the fact that people know about our DNA, we are trying to give more innovative formats, be it Gong expansion or the Bizarre Asia, which has been received very well.

Another point has been that existing restaurants of ours, which have been slightly fatigued over a period of 10, 12 years, which we were supposed to renovate before the pandemic, we could not do. So that's been a plan which has been going on very well. And the interesting part is that wherever we are doing a reinventing of the brand or renovation, which is in terms of changing the -- without changing the soul, the content and the form, making it more contemporary.

We see a same-store growth, which is very, very good and very respectable. So these are very good indicators for us. I think I have broadly spoken about everything. Other brands will be dormant at this point of time, which we had already said, but the growth engines are going to be Oriental and the wet-led, which I missed out earlier, is in the form of Episode One has happened, Second has happened, Third is happening in Bandra.

And we are going slow and steady. Last thing, profitable growth is something we have come back to. We have not believed in expansion -- mindless expansion, which we had done earlier on and consolidating on profitability while the revenues keep on growing slow and steady. Thank you very much.

Moderator: The first question is from the line of Charisha from Venture Growth Partner LLP.

Charisha: My first question is what is the long-term vision we are seeing for this brand? And how do we plan on tripling the revenue in 6 years?

Anjan Chatterjee: Avik, would you take this long-term plan, which I had already given an outline of and give a long-term understanding? That's my son, Avik Chatterjee. He's going to be talking on this.

Avik Chatterjee: So if I'm correct, it's a brand that you're talking about is Bizarre Asia.

Charisha: I mean Bizarre Asia Episode One, which we are planning on. So how are we trying to triple the revenue in the next 6 years?

Avik Chatterjee: Right. So the first thing is that wherever we have done our renovations, that has added to 20% to 30% of revenue jump in our current stores. So that means that is going to be one of the wings making -- helping us to reach that number. Apart from that, we are going to be increasing our footprints into modern Asian restaurants for a different TG. Like Asia Kitchen would be coming into malls.

And as you know, India is now scheduled to do more than 300 new malls. And we are in talks with all these partner malls to have a space there and also a non-compete with most of the Asian spaces that we sign up with the malls. So that is going to be our growth engine number

1. Part from that, we're going to be doing growth engine number 2 with the brand called Bizarre Asia because that's the company's only all-you-can-eat buffet restaurants where you -- restaurant in the Asian space where you can pay one price and you get an entire Asian experience, so on and so forth.

Apart from that, we have in our wet-led space Episode One, which is going to be our high revenue cash cow, which is going to be coming into all the youth-oriented spaces like we're doing another one soon in Bandra, Mumbai, which should be up and running by the next quarter or maybe the quarter after that. And we also are going to be expanding our brand Gong, which is a modern Asian restaurant.

That's going to be coming into high footfall, high spending powered locations. And this would be the entire mix of our brands that would help us gauge to that number in the next 3 years.

Charisha: So how are we looking at these, I mean, business models? Like is it franchisee-owned and company-operated? Or is it company-owned and company-operated? Plus what kind of like incremental ROCE and ROE are we looking at these 25 stores which are going to be up and running?

Anjan Chatterjee: Yes, Mr. Mohta will tell you.

Rajesh Mohta: Madam, these -- Rajesh Mohta this side. These are for the planned restaurants, which have been just communicated by my directors are basically company-owned, company-operated. When you talk in terms of payback, when we initially do a financial evaluation, we ensure to get the capital payback between 3 to 5 years' time.

Charisha: So apart from that incremental ROE and ROCE, which we look into?

Rajesh Mohta: See, incremental ROE will all depend because initially when you start opening restaurants, there is a front-end pressure of the breakeven, which is extended in the current times between 6 to 8 months because of the economic environment and spends, which you all know better. But yes, introductory pricing, etcetera, also plays an important role for us. But we expect that the ROE, which is almost to the extent of -- in 5 years' period, it would be in the range of 20% to 22%.

Charisha: Okay. Sir, payback you mentioned 3 to 5 years. So in 3 to 5 years, we are saying that we'll be able to reach breakeven for this year, also this capex?

Rajesh Mohta: Sorry, I am talking in terms of ROCE, capital employed, return on capital employed, madam.

Charisha: Okay. And what is the payback period for the stores?

Rajesh Mohta: See, these are ranging between 3 to 5 years, be it -- let's say, for instance, I'm talking in terms of an average. It depends upon individual stores, but this is the average which we work on.

Charisha: Okay. Also, could you highlight on the restaurant level and company level EBITDA margins?

Rajesh Mohta: See, if I may, let's say, for instance, the broad number, if I look at company level EBITDA, if you look at, it is ranging between 22% to 25% on a company level basis. And if you look at the restaurant level basis on the basis of Ind AS accounting, it would be at the range of 30% to 32%.

Charisha: Okay. So this is the range which we are planning to stay on in the next few years as well?

Rajesh Mohta: Yes. God willing, yes, that's the target of the organization.

Charisha: Okay. So any benchmarking which we are trying to keep like considering we have a lot of global peers, so are we trying to benchmark against them? Because I'm trying to understand what is the strategy for the next 5 years. Like I got the fair opinion of the management, but is there any particular time line in mind so that we benchmark ourselves with global peers and expand rigorously?

Anjan Chatterjee: Madam, there are not too many of these global peers accepting the P. F. Chang's who has been expanding in the area of Orient. And unfortunately, there is not any chain which we know of, which has been expanding like the P. F. Chang's. So I have not actually gone in because my inspiration originally was a P.F. Chang's from when my aunt used to stay in U.S. and I saw that and if -- and they did a wonderful job of it, and then we will come to the gulf and very successful.

So I would not know the numbers, so I can't comment. But I can say this to you that we've been here for 30 long years. We have done mistakes. We know that. But now what we are looking at is profitable growth. And I can only say that since we are back on track, we will keep on expanding the Oriental space with the anchorage of the Mainland China, the bandwidth that we have of around 29 chefs, our understanding of the whole DNA of this particular category. And the expected EBITDA,

I can't give forward-looking numbers, but surely, our attempt would be to maintain similar kind of EBITDA.

Moderator: The next question is from the line of Zaki Nasser, an Individual Investor.

Zaki Nasser: Sir, congratulations on a very, very steady set of numbers this quarter. Sir, can we assume that for the restructured and reworked on company, this would be a kind of a benchmark quarter going forward, sir? That is my question number one. And my question number two would be, sir, we are seeing a new trend whereby the home delivery segment is moving from the low ticket segment to the higher ticket segment, like ITC has got into it. Taj is focusing -- has a new focus on it. So what are your thoughts on it, sir?

Anjan Chatterjee: Okay. I would take that up and Avik will back me on this. So firstly, the question that you asked, Mr. Zaki, it is the attempt of ours to ensure that we maintain this kind of a result. And obviously, the quarter is the best quarter. So I can't promise that every quarter will be the same. For example, the JFM, OMD being the best, that's October, November, December. JFM is usually not good because 28 days in the month of February.

And you know that this is the time there are examinations and there are a bit of a headwinds which happen in any restaurant business. However, on the average of our understanding on an annual level, I think that our attempt would be to go near to the Q3 OMD. And now on the second part, I think that you're talking about the deliveries in which the Taj Group, Qmin or

The Oberois, etcetera, have entered. As you would understand that since I know Taj very well, I'm an ex-Taj-ite, so Qmin has not been able to penetrate more than 0.1% or so of the whole population. Unfortunately, what happens is that deliveries become a price discovery model, and it is on the platform.

So they have not gone into the platform at all. So they do their own deliveries, they send their own boys or the cars. So what -- that is a huge limiting factor, but Taj has got a strategy that we will not dilute our brand and go to the platform like a Zomato or Swiggy.

And at this point of time, as I understand, they're contemplating, maybe they've done a pilot somewhere, but that is what high end, which is there. But our average order value for Mainland China is the highest in the industry. And there has been a respectable growth from the fact that we used to do only 1% or 2% of deliveries pre-pandemic.

It's a new normal that people actually get food back home, and it is bound to grow, but we continue to be an aspirational upwardly mobile company wherein we are getting into people who are at the level of professionals and self-employed and who want to have good service in food at a price which is not necessarily a 5-star.

So we're not competing at that price level, but surely, the brand value level, service delivery and the food, we continue to do that because you know it's -- in the -- at the end of it, if you don't serve a glass of Coke with a buffet or a glass of Pepsi, people change their mind. The kitty ladies who come in, everybody is very extremely price conscious. So while we have a headroom, but we don't want to go to that premium level of market.

Zaki Nasser: And if I may, sir, your thoughts on Sweet Bengal and your future plans for that segment of your business, sir?

Anjan Chatterjee: Yes. So Sweet Bengal has expanded very well. The SSG also is respectable. The point I'm making is that this has been a question of many investors, and we respect that. But the last time we had pre-pandemic, etcetera, we've gone through a lot of bandwidth issue in which we do have -- we will only do business which we can control back of hand.

We are adding a few stores in Bombay and also Pune. We wish to go to Bangalore and to your city, Hyderabad. But the only thing is that you can't open a Sweet Bengal with one store. You need to have a commissary for which you need to have karigars, you have to have a control mechanism, hygiene, etcetera.

We are looking for someone to actually lead this from Haldiram over a period of time, but we've not been able to get the best person. So till then, Mr. Zaki, we would rather -- because what we see, the return on investment and the future of the Asian cuisine is much better than that of maybe a Sweet Bengal compared to the Asian space.

So we would rather -- if you see the food cost of Asian food that we do is ranging between INR22 to INR25, wherein we understand the game, we have 29 chefs. So within -- one company can do so much.

So hence, we don't want to digest and do Sweet Bengal, expand it to a level that we will have to have another vertical for which we need bandwidth. Given the time today, we have the mind space that we have, we don't want to add another load because I think in Oriental, we are in a very, very, very secured space, and we are continuing to surge ahead with new formats.

However, I promise to you that -- I mean, we will definitely look at it, sir. It's a brand very close to our heart. I'm a Bengali cuisine, because we have a name which came in from that. So I promise to you that we will -- we are renovating some of them. In fact, Avik is working on a new model, new format because people want new things to come in without putting too much of money.

You know that it's a very small store, around 250 to 300. And we will surely come back to you as we have the final plans of expansion.

Zaki Nasser: Best wishes, sir. I am looking forward for a Sweet Bengal in Hyderabad.

Moderator: The next question is from the line of Ankur Kumar from Alpha Capital.

Ankur Kumar: Sir, I wanted to understand is in last 1.5 to 2 years types, our total store count hasn't changed as in we have changed the mix as in we have opened more Asian cuisine and while we have reduced other number of stores. But given -- and our revenues has also increased, our gross margins have also been stable. But because of the store change, I think employee cost has gone up and depreciation has also gone up. So can you comment which has hurt our margins over, let's say, last 2 years period?

Rajesh Mohta: You are right in saying so that the total count of restaurants and confectioneries has almost been steady. The whole idea behind the company's objective was to have profitable growth. Like you would have witnessed, there have been conversions of existing Mainland Chinas into Asia Kitchen and a couple of closures during over a period of time. This has resulted into the headcount numbers of restaurant and confectioneries to be same. But with the changes, the revenues have also grown, like Mr. Anjan reported that the same-store sales have also grown and overall, the revenues have also grown.

If you look at the quarter 3 of FY '25, our same-store sales growth has been around 4.7% and overall revenue growth has been 9%. This is aided by the stores which have been converted and the new stores which have got added. As a result of addition of stores and the capital expenditure in the renovation as well as new restaurants, the depreciation has increased. So you would have witnessed we are able to maintain the EBITDA margin with an additional depreciation, but the returns are higher.

Ankur Kumar: Got it. Sir, any color on what kind of steady-state margins we can expect going forward?

Rajesh Mohta: See, if I may, if you would have looked at your last 13, 14 quarters, we have been into profits after loss. So we have been able to maintain our EBITDA margins at company level between 20% and 25%.

Ankur Kumar: So that kind of number -- and this margin includes the other income, right?

Rajesh Mohta: Correct, sir.

Ankur Kumar: Got it, sir. So we expect these kind of numbers to sustain going forward?

Rajesh Mohta: Right, sir.

Ankur Kumar: And sir, when you talked about 25 store addition, how much time that will take?

Anjan Chatterjee: I'll take that question. Some of the delays happen because of the real estate deliveries. That's the primary reason. Now as you know that we're not going to be working for the real estate owner, we are very careful about the store metrics. And hence, for example, I'll give you an example that we have been suffering because Borivali Asia Kitchen, which is owned by The Oberoi Mall, second Oberoi Mall, has been going on for last 4 years, and they were supposed to deliver it 2024 mid, but for reasons best known, they've been delayed. And as we talk now, we've just started the fit-out.

So considering the fact that there are -- for example, Godrej, one building, which is in for Gong in Pune, were to deliver it in the mid or end of, I think, December in '24. But now as we talk, even now, they have not been able to do this, and they've just got the OC. So it's just on track. So we'll start the fit-out now and it takes 3 to 4 months to do a restaurant. So majority of the delays actually happen because of the real estate delivery, and we are taking quality space at the best possible price, not getting into work for the real estate owner, which, unfortunately, at a point of time, we were doing. But this time, we are extremely careful. Every store matrix is measured. We know the pros and cons and then we get into it.

Ankur Kumar: Got it, sir. And sir, in the last con-call, I think you guided about a single -- high single-digit growth this year and double digit next year. So what should we expect?

Anjan Chatterjee: Trend should be similar, right?

Moderator: The next question is from the line of Charisha from Venture Growth Partners LLP.

Charisha: Sir, I wanted to understand how are the margins different between the cloud kitchen versus kitchen within kitchen because both of them work on the delivery side of the business, right?

Anjan Chatterjee: Mr. Mohta will take the question.

Rajesh Mohta: Madam, these are formats which operate for us. Our cloud kitchen business is very insignificant to the total. When we talk in terms of kitchen within kitchen, it is more to do with the sweating of the asset, which is available for restaurant operations. So it would be wrong on my part to say the efficiency of cloud kitchen vis-a-vis kitchen within kitchen because kitchen within kitchen is a better format for us in order to utilize the installed capacity and to have more revenues per square feet of operational area, so fixed cost primarily with the manpower.

Charisha: Yes. So it has -- kitchen within kitchen has both dine-in and delivery, you're saying?

Rajesh Mohta: That's correct, madam.

Charisha: Okay. Second question, which I understand we have very less of catering business, but you said that we are also -- you're trying to increase that as well. So any vision on that?

Anjan Chatterjee: Yes, I'll take that question. What -- over a period of time, we have realized that because of the offering we give from -- even if it means that less number of restaurants of Sigree Global Grill orders we have, we also have an Indian...

Avik Chatterjee: Sorry, the call dropped. I don't know where we left off before the call dropped. We were talking about our catering division, speciality experiences. We've seen a very, very good response from what we've started a year ago. We started speciality experiences as a wing in Mumbai city just to test it out. And from the revenues of last year to this year, we have seen more than double and getting great feedback as well.

And we have been -- now put together a focused team, which will be driving this division by itself. And this would add to our revenues as a parallel division alongside the other concepts that we spoke about earlier.

Charisha: So how do we get this business? Is it like tie-ups or contracts because it's a little different, right, catering segment?

Avik Chatterjee: Correct. So the way we work is right now, we work with the HNIs. So what happens is this is purely on word-of-mouth marketing, heavy social events and of credibility, of course, with the kind of legacy that we come from.

Anjan Chatterjee: And the guest list.

Avik Chatterjee: And the guest list. So what we've seen in cities like metro cities, especially like Mumbai, where we've tested it out, a lot of people are having parties at their homes because of the larger homes of HNIs. This is the core segment and our main focal point as of now. We are not getting into the mass catering of, say, corporate events as of now -- as of yet. We're going to be penetrating the household caterings and smaller wedding functions at the most, post which we would be expanding into corporates and so on and so forth.

Charisha: Glad to know this, sir. Thank you very much for giving a vision of catering business. So one more thing which I wanted to understand was, are we trying to do something on the loyalty side of the customers, like increasing the customer value for the overall company if they could do that? So are there any loyalty programs?

Anjan Chatterjee: At the current moment, what is happening is that we had done a loyalty program. I think we were the first to do this. But what we have evaluated over a period of time that even if we give a loyalty to our customers and do an app, which we experimented at a point of time in Andheri West just an app, I think that because of the platforms and people who are preferring to go through a dine-out or a Zomato booking where they have a Zomato Gold, etcetera, this space has changed.

So they would rather go to a Zomato Gold or an offering coming in from dine-outs of the world. And even if we give them more discount on the -- or more loyalty points as against discounts, this is not working at this point of time. So we've just parked it. We've got a software ready. We've already interacted with the partner. But currently, we've parked it.

Charisha: Got it. And how is Diageo helping us improve our base store sales? You mentioned something in the last con-call. Could you please elaborate a bit on it?

Anjan Chatterjee: Yes, sure.

Anjan Chatterjee: Sorry, madam, can you just post the question once again?

Charisha: Yes, I was just saying like in the last con-call, you had mentioned that Diageo is helping you improve your base store sales by some interactive bar lounges. Could you please elaborate a bit on that? And how are the -- how do you see the margins of base store, that's the third one?

Avik Chatterjee: Sure. So number one, we've been partners since many years. And because of our strong partnership, we tend to gain from the kind of liquor discounts because of the bulk buying capacity that we have as a whole company. Usually, our formats like Mainland China and Asia Kitchen were pure dine-in food-centric formats, which after evolution of the brand, we have also made it a bar-centric format for which our beverage sales...

Anjan Chatterjee: Line of sight...

Avik Chatterjee: Yes. So we've got in bars in the line of sight at every restaurant that we have today. So when you see a bar, the liquor tends to move better. And of course, with the offerings that we have, that's also helping us move the liquor sales better. We've, in fact, doubled our beverage sales from before renovation till now. And the best part is we also have introduced bar trolley. And because of Diageo having a great bartending team, which comes and trains our team on ground, that trolley also helps us upsell the liquor between dining and zones.

Charisha: Got it, sir. One last question. On the same-store sales growth and the average daily sales of mostly the kitchen, Asia Kitchen and Bizarre Asia and Episode One, if you could throw some light on that?

Rajesh Mohta: Madam, on our same-store sales basis, we can definitely share that during the last quarter, we had a growth of 4.71% -- 4.7%, which is a combined factor of all the brands which have been operating in the last 2 years -- quarters basically on a company level basis.

Charisha: Okay. And any numbers on average daily sales, which you could mention?

Rajesh Mohta: It would be difficult to give us on a same-store daily sales basis, madam.

Charisha: Okay. And one just clarification which I wanted to make. You mentioned that we need a capex of INR3.5 crores per store and the payback would be 8 months. So is it 8 months or 3 to 5 years?

Avik Chatterjee: No, it's actually, the payback is 3 to 5 years, depending on the location, seasonality's, etcetera, or any ad hoc factor in that location itself. But the P&L breakeven is between 6 to 8 months of the store.

Moderator: The next question is from the line of Anupam Jain from Indira Securities.

Anupam Jain: You unanswered unfortunately. I joined a bit late. Can you give me a guidance for margins? So like...

Anjan Chatterjee: Sorry to interrupt. Could you be a little louder, please?

Anupam Jain: Yes. All, you hear me now?

Anjan Chatterjee: Yes, yes, yes.

Anupam Jain: Yes. So I joined a bit late. I was wondering that can you give me guidance for FY '26 margins and revenue terms?

Rajesh Mohta: See, what we are working on a strategy is the current trend of our growth and EBITDA numbers, we would work towards sustaining the same over the next couple of quarters.

Anupam Jain: Okay. And revenue?

Rajesh Mohta: The similar growth numbers. It would be, let's say, for instance, in single digit or early teens.

Anupam Jain: Okay. So I heard before that we're opening 25 new stores in the next year. And that's, sir, also still single-digit growth, if I'm understanding this...

Rajesh Mohta: No, no. We -- sorry, Mr. Anjan mentioned that 25 stores would be in the next 2 to 3 years.

Anjan Chatterjee: Yes, that's what he's saying. He's saying 3 years. 1 year -- so I'll just take this. I think there's a bit of a misunderstanding. See, while we would love to do 25, we would love to do, this kind of a business becomes very difficult in terms of the -- because the bandwidth of trained manpower, which has been the biggest challenge. There's so much of cash lying in the balance sheet in the treasury, we would love to expand much faster. So -- and the real estate delivery. I wish I could give you examples of the kind of levels at which we get stuck.

And obviously, as you understand, we are not a QSR. We need -- it's not that we have started on a high street in a small place. It takes a little time to ensure that we have an identified space with footfalls coming in, either in the high street or off high street where we have our parking. So there are considerations coming in. So I think the total number of stores, which we have spoken about is with the horizon of 3 years over a period of time.

Anupam Jain: Okay. Okay, sir. Then the last question would be like, okay, let's forget this year or last year, what numbers can I expect in 3 years from the time and what will be the landscape as a Specialty Restaurant as a brand image all over the pan-India? If you can throw some light on that, sir.

Anjan Chatterjee: Difficult.

Rajesh Mohta: Yes, we could be growing in the range of between 10% to 15% every year.

Anjan Chatterjee: That's a bare minimum. That's a bare minimum. We don't want to be too over enthusiastic in saying and quoting a number. But definitely, the objective will be very simple, 25%. But then 20% -- 15% to 20% is not something which we will accept less than that. And the idea would be -- see, growth, sir, is not difficult. It's not difficult to do a growth, but we have taken a pledge that we will do profitable growth.

So with that pledge in mind, we would definitely form a matrix and be a little more careful about this because this industry, after having 30 years of going up and down and then we've been able to get our handle back. So with a lot of difficulty, and we want to be firm on that.

Moderator: The next question is from the line of Priyum Tanna, an Individual Investor.

Priyum Tanna: This is Priyum Tanna from Ahmedabad. Actually sir, I follow the company since last 3, 4 years. But sitting in Ahmedabad, I've never experienced any of your restaurant store in Gujarat. So just would like to understand why you are still not very aggressive in Gujarat. So can you throw some light on it?

Anjan Chatterjee: Thank you for your patronage and the fact that you're missing the brand that's -- you have so much of brand love that you're missing the brand. Thank you. That is where we exist and we live for customers like you. Just to tell you historicals that we were in Ahmedabad and -- as well as in Baroda. Baroda has got shut down because this was a fence-sitter. During pandemic, we had to bought all the fence-sitters.

It was going up and down. Then we came with Ahmedabad, which used to be there till recently in a mall called Gulmohar Mall. But as you know, the Gulmohar Mall itself has gone under renovation of -- for a building that they want to do a kind of residential building and the mall, we had to do an exit. I'll give you a good news since you are from Ahmedabad. Alpha Mall is being discussed, which, in fact, I would like to have a feedback whether we should be in Alpha Mall or not. Would you tell me whether we should be in Alpha Mall, sir?

Priyum Tanna: Yes, 100%. This is one of the successful mall in Ahmedabad...

Anjan Chatterjee: So fantastic. So I got your endorsement. We are in -- Nexus is the owner of that, the Blackstone. So I have great relationship with Dalip Sehgal and others. So we have almost closed it, but there is a little bit of mess in terms of the rate and cap. So we should be giving you a good news very soon.

Priyum Tanna: Okay. And also try for the other brands also, not only for the Mainland. I would like to experience your other brands also.

Anjan Chatterjee: Sir, we will do everything that you say, but slow and steady in terms of Oriental growth because if we make some money, then you will also get a return of investment. Because in Chinese, we get more money. We are starting with that. But Inshallah with your love and passion and blessings, we will definitely be there in Ahmedabad with some good brands of ours.

Priyum Tanna: Sure, sure. And love to meet you once -- if you are planning to open a store, would like to meet you over there also, sir.

Anjan Chatterjee: Definitely, definitely looking forward. Thank you.

Moderator: The next question is from the line of Tushar Raghatate from KamayaKya Wealth Management. Sorry to interrupt, Tushar, your voice is echoing. Could you come a little closer to your microphone? Since Tushar is no longer there, we will move to the next participant. That's Charisha from Venture Growth Partners LLP.

Charisha: Sir, I am trying to understand like we are focusing mainly on Asia Kitchen, maybe Bizarre Asia and Episode One, these 3. So would we be diluting the -- even Sweet Bengal for that matter. So would we be diluting the other brands where we just have one store or we have insignificant revenue?

Anjan Chatterjee: Absolutely right. You've got it right because wherever there's a profitable understanding of the store metrics, for example, Sigree Global Grill, just to give you an example, there are 2 of them; 1 Flame & Grill -- 2 Flame & Grills in Calcutta. All of them are profitable, and they are very respected brands in spite of the fact that there is huge competition in the space. We will -- and plus we have a headroom. We can increase the prices because of quality and the range. So this is one. Second one, Sweet Bengal, I'll come to later.

Second one is in the form of Oh! Calcutta, which is a growth engine. There's been almost double digit, more than that. In fact, it's almost 18% growth this year. That is something which will continue. For example, there's one coming up in Pune, and we're considering Chennai. So that's -- because as you know that the whole space of Indian food is not anymore a Mughlai or a Punjabi. People are more adventurous.

They're going to take -- they are ready to accept more regional cuisines, besides the South Indian or maybe somewhere which has become popular at a point of time, the Punjabi food, which was originally -- which has become an Indian food now.

So Oh! Calcutta has given us great results. So we will do it, but small Oh! Calcutta. Pune, for sure, very soon, the work is almost starting. It's an area, a very small one, 50 to 60 covers. We are reinventing the look and feel. As you understand that everybody now wants new fresh wine. So Avik is working on the project of reinventing them. And that doesn't take too much money also because it's just that we need to do certain cosmetic changes.

We have lived for over a period of 14, 15 years in all these Oh! Calcutta's. We need to do refresh it. And as you know, we have a mother brand, which has got as an extension of Oh! Calcutta to London, which is called Chourangi. So people do recognize us in this space. And I think that in given -- next couple of years, we'll have -- but it will be controlled. It will not go like Chinese or Asian, is much more popular than an Oh! Calcutta food. Indian, I told you Sigree. Oh! Calcutta, I've already given you what the outline is.

Now coming back to the one, which is Sweet Bengal. Sweet Bengal is something which is not an easy business. We were not Mithaiwaalas historically. We were restaurateurs and we did this as an experiment, but that got expanded wonderfully. We are extremely careful about the hygiene and health. We are mechanizing a lot of it back end. And as we get into that, while the Sigree Global Grill will be dormant, Oh! Calcutta will have a 1, 1.5 expansion, and we will consolidate on SSG.

And the one which you're talking about, Sweet Bengal, the next stop should be Bangalore. And we will do it as we get a little more confidence in hygiene and commissary and, of course, the artisans who make sweets.

Charisha: Got it, sir. So we are mainly trying to keep the important brands, which give more revenue and maybe we'll dilute on the ones where we are not getting enough revenue.

Anjan Chatterjee: Absolutely, right. Absolutely, right.

Charisha: The second point, sir, I wanted to understand, are we trying to optimize cost in any way? Because I understand we are a premium brand, but are we having that headroom as well?

Anjan Chatterjee: Okay. I'll take this question again. See, over a period of time, we have understood that there is an offering which we have been doing at the level, and we've been holding the price line and in very intelligent price increase, but we do understand that the peers are charging more and we can afford, too, because of our quality. So we are considering a small price rise, which is now due and because of the fact that there are tremendous headwinds on the inflation, particularly food. I don't need to tell you, it's all over the place.

And the households are also suffering. They understand a chicken dish if it's costing around INR350 to INR400 or INR450. If we increase by INR10, INR15, it doesn't change their life. So that is one area. But the cost, cost we are talking about the fact that there have been huge amounts of costs which have gone in the repair and maintenance over a period of time.

That whole thing is going to go down because most of our restaurants have been renovated and repair and maintenance will go down drastically, which we have completely that line item. We are focusing with all microscopes we have.

And then secondly, we are talking about operating supplies. Most of our restaurants are ready now. All operating supplies have been done, and it will last us for 5 to 7 years for sure, excepting the replenishment of some crockery or maybe cutlery as and when required, so which we have in the inventory as it is in every restaurant. So these are 2 major areas we want to do that.

On the food cost also, in spite of the fact that there has been an inflationary trend in the economy, we have -- because of our relationship with our suppliers and the contracts that we have, long-term ones, we've been keeping our suppliers as partners. The 30 years is not an easy or small time -- short time to keep relationships. People do understand and they hold the price line for us also because of the bulk purchase. So I can reassure you that every line item is being revisited, focused on and we know what is happening.

For example, ASP, that's advertising sales promotion, we do it. There is -- because the Zomato and the Swiggy's have become necessarily evil, if I may say so, because of the fact that you have to go to the platform. But the commission that we pay to them, fortunately, because of our average order value, they have been able to be contained much, much better than -- or it can go better.

We are still fighting in that. And so every line item, you can reassure that -- be reassured that we will be looking at the input cost of this particular -- business will go down as we go upon scaling up.

Charisha: Got it, sir. Thank you so much for showing that confidence. So we are intact with the numbers that we'll triple the revenue in the next 6 years, and we'll have a 20% to 25% EBITDA margin. Okay, sir. And one last question from my end. You mentioned about inorganic growth as well. So are we looking something on that end so the impact for the numbers to the revenue in the next 6 years, and we have an 20% to 25% EBITDA margin?

Anjan Chatterjee: Inshallah.

Charisha: Okay, sir. And one last question from my end. You mentioned about inorganic growth as well. So are we looking something on that end?

Anjan Chatterjee: Madam, it's been going on for a long, long time, and we would love to because of the fact that -- but unfortunately, the people who are coming to us with their memorandum, unfortunately, they have EBITDA minus to a debt level. I'm sorry to say this. And somehow or the other, we've done these mistakes. By adding an inorganic part in our body, we are organically here. What do we gain? We will only gain the fact that if -- either we don't have the expertise, we've not been able to build any brands, which is not the case.

But we have been respectfully building brands over a period of time or if we take the brand, they have something on the balance sheet. So we've evaluated many of them. So we've come to a conclusion that at this point of time, it's better. We are capable of doing it internally. So I would come back to organic unless otherwise, there's something which is very attractive and coming on our table.

Charisha: Got it, sir. Hoping for better tripling the revenues and EBITDA margins so that we get a good relation.

Moderator: The next question is from the line of Tushar Raghatate from KamayaKya Wealth Management.

Tushar Raghatate: Sir, just wanted to know your future plans on Bizarre Asia.

Anjan Chatterjee: Yes, that my son will take the question of what Bizarre Asia is all about. But I'll just tell you, there is a concept called proof of concept, POC. Now it's not point of contact, it's proof of concept in this retail industry. I'm sure you know it, you track it. So proof of concept has been done now, just started. We've given birth to it. And going forward, this is what the plan would be, which I think that Avik, because it's his baby, he will be able to give you a little more light on that.

Avik Chatterjee: Right. So Bizarre Asia, in a nutshell, is an all-you-can-eat, Asian-specific concept that we have conceived like rightly said by Mr. Anjan that it's a proof of concept. The idea was that this market seems very, very interesting and growing market for us. And we have seen a few of our peers who are also in the buffet rather all-you-can-eat concepts, which have grown phenomenally.

But what we understood is that not many players are doing this in the Asian-focused cuisine, but there is a high demand for it because Asian cuisine, as you know, is not easily been made at homes as good as restaurants, but Indian cuisine can be mocked similar or as close to 90% of how you get it in the restaurants.

But Bizarre Asia is basically a concept that resembles the streets of Shanghai, Tokyo, Bangkok and Malaysia, Vietnam, etcetera. It has open counters, live music. It has a liquor shop where you can actually walk in and pick up bottles that are in offers. So it's a very new age, new for the new customer, but also not pinching on the price on the pocket.

So hence, this is what we have created soon. As soon as we understand that it has completed the journey of proof of concept and has proved it to us, we would be taking this to various high footfall locations like malls, entertainment zones, high street retail and the expansion is probably anywhere where there's a need for Asian food.

Tushar Raghatate: I've got investors who just want to know the price range for this. What will be the price range in your platform in the metro cities?

Avik Chatterjee: At the moment, it's INR900 to INR1,000.

Anjan Chatterjee: INR900 to INR1,000, all inclusive.

Tushar Raghatate: Got it, sir. They just want to know out of all the stores or all the restaurants you have, in the percentage terms, how much would be the matured restaurant?

Avik Chatterjee: Sorry, could you repeat that, please?

Tushar Raghatate: They wanted to know as a percentage of your total restaurants which you own, how much of it would be a matured restaurant which are almost giving profit and with revenue and the non-matured restaurant? As a percentage of your total.

Avik Chatterjee: I could not even give this.

Rajesh Mohta: See, let's say, for instance, at restaurant level, we don't have.

Tushar Raghatate: Got it. Sir, I could see that in North India, you don't have much restaurants over there. You might have some?

Anjan Chatterjee: All right. I'll take that question. As you understand that there is a bandwidth issue at this -- at a point, we thought that we will mature markets like Bombay City and Calcutta where we are dominating very, very strongly because return on investment is much better. But Delhi, we didn't have the bandwidth of manpower. We've just recruited people. And as we go in Northeast, completely vacant for us. We've not done anything.

We used to have around 7 restaurants in North pre-pandemic, which we had to abort. But soon, you will hear good things because in Bombay, by and large, we have been able to -- with the kind of locked spaces that we have done, in next 6, 8 months, we will be maturing our area of opening, accepting a few malls which are coming in '26, '27.

So I think that Delhi is a new focus. Inshallah, we will be able to start and give you some good news in the next couple of quarters.

Tushar Raghatate: Got it, sir. And with the Burger delivery brand, Walter Burger, so any update on that? Or like how are you seeing that?

Avik Chatterjee: Yes. So Walters was again a new brand that we created last quarter. The idea was to sweat our assets. For example, wherever we have an Asia Kitchen, we also have a Mainland China food delivery from that same kitchen as well as our delivery brand, Haka, which is at a lower price point.

Now coming from that analogy, because it's been so successful and profitable for us, we created Walter's Burger to be delivered from the same manpower and same kitchens of our continental restaurants, for which we have done 3 of those delivery zones from our existing restaurants in Mumbai City. But we are also trying very shortly.

We are in almost close to ending the contract with Jio Mall in BKC to have our Walter's Burger in the food court that they call Nine Dine. That should be up and running soon, hopefully. So we will see a response with the physical store for the first time with the same brand.

Tushar Raghatate: Got it. Sir, my last question. Just wanted to know like in the Bizarre Asia, the format is the buffet format, so doing in the range of INR900 to INR1,000, all inclusive. And in the Mainland, you're giving the same offering. Don't you think that these both brands will cannibalize your sales?

Avik Chatterjee: So Mainland China is actually primarily Chinese cuisine, whereas Bizarre Asia has a lot of influence of Thailand, Vietnam, Malaysian and bits of Chinese. So Mainland China, apart from the buffet at some locations also has mainly à la carte dining, which is the highest seller for us. 80% is à la carte. And most of our restaurants do not have a buffet offering. Hence, we thought that proof of concept for a place which is purely buffet would be something that could be a great growth engine.

And one reason for us to be experimenting with this is because the more chain restaurants come in, in a single city, there tends to be brand fatigue. We do want to dominate the Asian space in every location of a city. But we probably think that same brand creates a fatigue. Hence, we want to be a part of the Asian market share of every location with various brands of ours. That's why we took this strategy call.

Tushar Raghatate: Got it, sir. Sir, liquor is what percentage of your sales as of now and any targets for that?

Rajesh Mohta: Liquor sales ranges between 10% to 12% of the total revenues, except in the U.S. -- on overall basis, it is. But on wet-led basis, it is 50% at Episode One.

Anjan Chatterjee: Overall gross percentage with the Episodes, etcetera, yes, it will be around 15% because we are -- as Avik said, that we are now -- we used to be having a dispensed bar and which was recessed and not in the line of sight. All new restaurants, we have a fairly large line of sight bar, what is seen sells as you know. And then we are also doing a lot of promotions in the form of bottle prices. So we are working very, very hard with the trolley, which he had mentioned.

To be on the line of sight and making liquor, the margins on liquor usually made by others is around 40%, 50%. I said that why taking so much margin, take legitimate margin and then go. So that's shown us in the last 3 months, for example, Bizarre Asia, Mezzuna in Calcutta, other one which is happening here, the mall, the one which is in Wakad in Pune and also in Malad, which we've renovated from Mainland China to Asia Kitchen, we are seeing the graph growing, going up.

Moderator: The next question is from the line of Priyankar Sarkar from Square 64 Capital Advisors LLP.

Priyankar Sarkar: Sir, I'm relooking at the company after quite a few years, to be very honest. So just had a couple of questions. Sir, one thing which I'm unable to understand completely is that what is the need to make so many sub-brands? I mean it seems like there is a long tail. For example, at Café Mezzuna, right, you have only a few stores, and I've been to that store in Calcutta many years back, almost 7, 8 years back. So I mean, what is the need for us to dilute this way?

Anjan Chatterjee: See, I think you came in late. I'd explained this very clearly that we have understood that at a point of time, we had given birth to a lot of babies. We did not do Parivar Niyojan. So family planning was not done at a point of time. So what came across is that now we understand that which is the growth engine, which is the power brand, so we've completely changed our strategy.

But sir, Café Mezzuna continues to rock with an EBITDA of in and around 15% to 18% bare minimum. On bad month, it is 22%. So I would not have bought anything for which we have a respectable bandwidth for South City and one in Forum, which we are renovating. We've got great relationship with the mall.

So the rentals are low, and we are continuing to make respectable profits. And we are not adding any more. I can say this to you. We are not adding any more of Sigree Global Grill. But suddenly killing something which is giving us -- I mean, supposing Powai Global Grill gives us INR1.20 crores of revenue per month with a respectable bottom line. So why would I kill something like that?

But definitely, Haka, which used to be there has become a delivery brand, kitchen within kitchen. We intelligently brought it back because it's a price-led brand, and we have not expanded any one of them anymore. And these are all pre-pandemic and by the time we had already signed. So the brand basket is busy, looks very heavy. I completely agree with you your sentiments. But today, now as we talk, it's only Asian, Asian, Asian.

You may say, why not just Asia Kitchen, but you will understand that we've reinvented. If you have any connections in Calcutta, please check about Bizarre Asia, what -- how it has it been taken in and accepted by the market. We are innovating formats by giving the same content in Asian. Chinese on one side, Asian is the most popular cuisine in India at this point of time. So we've come back to the squared one for which we built this company, Mainland China anchorage and the fact that we have that bandwidth.

So this is going to be a growth engine on Oriental, which is based on Mainland China's existing, Asia Kitchen by Mainland China. Gong, which was given a birth, you may say that. It's a new brand, but still in this space, I will tell you, there are a lot of people who are just starting up and then giving different kinds of name, not scaling it up.

So initially, our strategy was to scale up Mainland China. We learned a lesson over a period of time that no, many places we had gone to like we went to Indore, we've gone to places like Ludhiana, where we learned that we were too early. Now these places are getting matured. We've come back to our track, consolidating, trying to understand how to make a profitable store and ensuring that our line items actually are controlled.

So one, we are keeping all the others normal, you will not see. But within the Asian space, you will see some innovations coming in because we have done what we did long, long ago, will not work because to be the king of the jungle, you have to kill every day, sir. So we are -- with my son coming in and younger brigade that he's brought in, he's getting more formats, but within the Oriental space.

Everything will be confined to that, which correlates with the DNA of the company and the bandwidth we are capable of.

Priyankar Sarkar: Perfect, sir. Sir, just one couple of follow-up question. Since you're going to be focusing only on Oriental, is it safe to assume that across all the brands, Oriental gives you the highest gross margin?

Rajesh Mohta: That's correct.

Anjan Chatterjee: Yes, yes. coming. See, very nicely, very good question. An Indian brand, for example, in Oh! Calcutta, we'll have a 30%, 32% food cost -- input cost because as you know, you being a Bengali maach, fish is very costly, Hilsa to everything else. Whereas when you talk about anything else like a noodle, the price of the noodle compared to the price of the chicken is much, much lower. And you have so much of noodle and you add a little bit of chicken.

So you eat around -- you add around 50, 60 grams of chicken as against a fish, which you have to give a chunky 100 or 60 grams into 2. So there's a lot of food cost difference, and that's one of the biggest advantages of ours because our relationship with Lee Kum Kee and others, relationship with all the suppliers and one streamlined supply chain, which helps us very, very strongly.

And hence, the Oriental Cuisine, which we were actually -- the company was bought and the flagship continues to be the Mainland China, and we will continue to surge ahead with this.

Priyankar Sarkar: Perfect. Okay. Sir, last question. Have you given any guidance in terms of the number of stores that you plan to add over the next 2 or 3 years?

Anjan Chatterjee: 25 stores. Yes. Over a period of 3 years, right?

Priyankar Sarkar: Yes.

Anjan Chatterjee: Subject to one caveat, subject to the delivery of the real estate, I think it should be probably on the lower side.

Priyankar Sarkar: So 3 years, 25 stores?

Avik Chatterjee: Right.

Anjan Chatterjee: Yes.

Priyankar Sarkar: Starting FY '24?

Anjan Chatterjee: '25, '26, yes, '25, '26. Yes, '25, '26.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.

Rajesh Mohta: Dear investors, analysts who had joined our Specialty Restaurants investors call, we are extremely thankful to have spared your time for us to give you what strategy the company is going to take forward. Thank you once again.

Moderator: Thank you. Ladies and gentlemen, on behalf of ICICI Securities Limited, that concludes this conference. You may now disconnect your lines.