



**SPECIALITY
RESTAURANTS LIMITED**

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August 9, 2025

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

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

Scrip Code : 534425

Scrip Code : SPECIALITY

Dear Sir/ Madam,

Sub: Transcript of Conference Call held for presenting the results for Q1FY26 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 August 6, 2025 for presenting the results for Q1FY26 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

Avinash Kinhikar

Company Secretary and Legal Head

Digitally signed by
AVINASH MADHUKAR
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Encl: As above

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



**“Speciality Restaurants Limited
Q1 FY '26 Results Conference Call”**

August 06, 2025



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

MODERATOR: MR. DHIRAJ MISTRY – ICICI SECURITIES LIMITED



Speciality Restaurants Limited
August 06, 2025

Moderator: Ladies and gentlemen, good day, and welcome to Specialty Restaurants Q1 FY '26 Earnings Conference Call, 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 this 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. Dhiraj Mistry from ICICI Securities Limited. Thank you, and over to you, sir.

Dhiraj Mistry: Thank you, and good afternoon, everyone. First of all, I would like to thank management of Speciality Restaurants to give this opportunity to host this call. We have with us Mr. Avik Chatterjee, Whole Time Director; and Mr. Rajesh Mohta, Executive Director - Finance and CFO. Over to you, sir.

Rajesh Mohta: Thank you, Mr. Dhiraj, for a warm introduction. On behalf of the management, myself, Rajesh Kumar Mohta, CFO of the company, welcome all the participants to the investors call of the company after the approval of results by the Board of Directors yesterday and submission to the stock exchanges as per guidelines.

I would like to briefly touch upon the quarter highlights for the information despite the data being there on the stock exchanges website. The total income -- stand-alone income grew by 3.04% during the quarter compared to the previous year quarter.

The basic highlight for the revenues are; the company had withdrawn the levying service charges in the bill from 29th March 2025 as per the decision of the Delhi High Court. This has impacted on the top line in the quarter as we could not pass completely by increasing the menu prices.

Second, inflation has been favourable, leading to improvement in gross margins to 70.2% against 69.2% in the previous year quarter. One impact, which has happened because of Ind AS, there is a gain on lease and modifications to termination of the leases in this quarter, which amounted to INR43 lakhs only against INR3.73 crores in the previous year quarter.

I would like to highlight an important number, which is EBITDA margins on operations basis only has improved from 4.5% to 6.2% because of managing efficiencies on expenses and new restaurants contributing to the bottom line. One major expenditure, which we continue to incur is spends on aggregator platforms, which is almost to the tune of 5% of the revenues.



During the quarter, we opened a new restaurant by the name of Siciliana by Café Mezzuna, which is an Italian brand at Forum Mall, Kolkata. It is basically a conversion from our existing Café Mezzuna to an upgraded version, which is Siciliana, Italian brand. The company has forayed into Walters Burger Store, one pilot store, which has got opened in Andheri West in Mumbai. We are expecting to open a good number of restaurants during the financial year.

Thank you. We now open the Q&A session.

Moderator: Thank you, sir. We will now begin the question-and-answer session. First question is from the line of Mr. Vishal Dudhwala from Trinetra Asset Managers.

Vishal Dudhwala: My first question is like with India's online food delivery market is going to grow at a double digit for over the next 3, 5 years. And even in our revenue, 24% is contributed by delivery. So can you elaborate your differential margins between dine-in and delivery, specifically what strategy levers are you using, like in-house logistics or something like that?

Rajesh Mohta: This is Rajesh Mohta, sir. I appreciate your question here. See, what is happening is we are a dine-in basis company. Delivery is an offshoot from our existing restaurants. Our focus has always been to grow our dine-in business. Delivery is a compounding impact. So when you talk in terms of profitability margins, there is one additional expenditure on delivery, which is the aggregators' commission, which gets paid out of it. But on a blended basis, there is not a major differential from a dine-in and delivery basis because the revenue share, etcetera, which are for the premises are paid for both the dine-in business and the delivery business.

Vishal Dudhwala: Okay. So there is no macro segmentation for online and dine-in, right?

Rajesh Mohta: Yes, no.

Vishal Dudhwala: Okay. Okay. Got your point. And my second question is on your upcoming plans. Like as you mentioned, you are going to open some new or refurbishment. So how are you going to capex them? How are you going to fund them?

Rajesh Mohta: See, God has been kind. As on date, we have a treasury of almost like INR162 crores, which is there for our renovation and opening of new restaurants. Plus the business itself is generating cash on a monthly basis. So we would -- we are geared and we are not exploring any possibility of leverage or a fund raising at this point of time.



- Vishal Dudhwala:** Okay. So can you like throw some numbers like how much time will it get to pay back or even breakeven?
- Rajesh Mohta:** Sorry, breakeven would mean you want to know for a new restaurant?
- Vishal Dudhwala:** Yes, yes, that new one.
- Rajesh Mohta:** Sir, the new one generally typically takes between 3 to 6 months to breakeven on a restaurant level basis.
- Vishal Dudhwala:** Both in new and refurbished, both units?
- Rajesh Mohta:** See, refurbished, it depends upon the kind of renovation, which is carried out. There, the capital expenditure is less, and we are targeting the restaurants, which have led a big -- I would say, a good number of years. So here, the existing restaurants' return is faster than the new restaurants.
- Moderator:** The next question is from the line of Shaleen Seth from Seers Fund Management Private Limited.
- Shaleen Seth:** I have a few questions. I hope you have the time for that. The first bookkeeping question is how much cash do we still have?
- Rajesh Mohta:** Sir, as I mentioned, we have a treasury of INR 163.8 crores to be precise as on 30th June '25.
- Shaleen Seth:** Okay. Sir, secondly, we have opened a Mainland China. I could just see it in the numbers in the presentation, but I couldn't see it anywhere else like in the photo or something. From 14, we have come to 15 count. So where was that?
- Rajesh Mohta:** So it is all Asia Kitchens. I will have to just check which. We have not opened any Mainland China.
- Shaleen Seth:** Okay. So on the presentation, it says it's a 15 count. We can probably discuss that later then. My last question is specifically on Siciliana. So our focus on this brand seems to be increasing significantly. And specifically, like we are converting our Episode to Siciliana. What is the reason for doing that?
- Rajesh Mohta:** So Episode, basically in Thane was the spot that we got was too small for Episode. And being a wet-led space, the weekend sale is what carries forward the entire P&L. What happened there is because of lack of spaces, we signed up Episode but then we realized that we don't have enough capacity to fill on Fridays, Saturdays, and



Sundays. Hence, drinking spot that does not have great lunches. Hence, we think Siciliana a better fit there, and we will be relocating Episode to Bandra soon in Mumbai.

Shaleen Seth: Okay. That sounds good. Specifically, Siciliana in total, we are focusing about 5 units, if I'm not wrong, going forward, the ones with the plan and...?

Rajesh Mohta: Italian has been a very strong focus and growing market in India with very less competition. So we feel, for example, the mall that we are coming up in Palladium, Mumbai soon, there are probably only one other -- none focused Italian, but one other spot that serves Italian. So what happens is it becomes a one-off in the segment in a crowded market itself. So we feel this is the way to grow in crowded malls alongside Asia Kitchen. So hence, when we do negotiate rental deals, we come up with Asian and Italian. So it makes our store economics way better.

Shaleen Seth: No, no, I completely agree with you. India eats pizzas more than anything else, like Biryani and second is pizzas. So no doubt about that. I think we wish you luck for that. Just one quick question on the Kolkata property also. Any update on that? When can we expect that to be commissioning?

Rajesh Mohta: This year, the plan is to get that particular building up and running with banquets, etcetera.

Shaleen Seth: Okay. So this financial year, we can expect?

Rajesh Mohta: Yes.

Shaleen Seth: Okay. Great, sir. And Walters has come up very nice. It looks perfect. Wish you all the best.

Rajesh Mohta: Thank you. We're doing 3 more Walters in this quarter, and hopefully, 5 more by the end of this financial year.

Shaleen Seth: And are you happy with the response till now?

Rajesh Mohta: Fabulously happy, and hoping that it stays the same. It seems like the trend is great. We have 40% repeat customers, which is a great, great sign in this market. So hoping for the best for the growth.

Shaleen Seth: That sounds perfect. Congratulations.

Rajesh Mohta: Thank you.



- Moderator:** The next question is from the line of Mr. Vivek from Inga Ventures.
- Vivek:** So my first question is regarding any guidance about revenue growth and EBITDA margin.
- Rajesh Mohta:** Mr. Vivek, I fully appreciate. Our business is more seasonal line. We wait for the season September to December to come in and would have a better and clearer picture. But yes, with the new openings, the kind of results, which we have seen, things are looking up.
- Vivek:** So can we assume that the last quarter growth guidance that is 10% to 15% will continue?
- Rajesh Mohta:** We are working hard toward it, Mr. Vivek.
- Vivek:** Sure, sir. And any update on the SSG?
- Rajesh Mohta:** See, SSG, yes, we are. Let's say, for instance, if you look at this particular quarter, it is almost like flat or slightly negative but we are expecting now going forward in the month of August, September, October, things should be much, much brighter for us as far as discretionary spends are getting increased the way FMCG companies are expecting an increase. So we are also looking forward for a growth there on an SSG basis.
- Moderator:** The next question is from the line of Mr. Balaji Vaidyanath from NAFA Capital.
- Balaji Vaidyanath:** Rajeshji initially mentioned that new restaurants typically breakeven between 3 to 6 months. So assuming, let's say, we take 4.5 months on an average. So you're talking about a fixed asset turnover of almost 2.5x. So suppose you invested INR10 crores in a new restaurant, hypothetically, you'll make about INR25 crores of turnover. But if you look at the overall gross block number and your turn on your sales, it's roughly about 1x. So does that mean that the old restaurants, the fixed asset turnover is -- it kind of wears off, the novelty wears off very fast, and therefore, the turn has not been able to be maintained?
- Rajesh Mohta:** Mr. Balaji, I fully appreciate your thought on numbers. Yes, that's the only reason why renovation has become a very important subject for us. And we are continuing to renovate the older Mainland Chinas and converting Mainland China into Asia Kitchens in order to have a higher turnover vis-à-vis fixed asset investments.
- Balaji Vaidyanath:** And are there any early indications that these renovations are actually increasing the turn?



Rajesh Mohta: Yes, sir. What we have seen, the converted and the renovated Mainland Chinas have seen a growth in revenues ranging between 20% to 30% on a yearly basis. And what has happened, let's say, for instance, since the company is a 30-year-old company with various brands and the restaurants, which are more than 8 or 9 years and wherever we have been able to renew our leases, we are investing into the ambience and totally converting those Mainland Chinas into an upgraded versions of Mainland Chinas on a stand-alone basis and trying to convert existing Mainland Chinas, which are there in malls to Asia Kitchen. but they're trying to keep the expenditure almost on the same levels and maintaining the operations costs for those restaurants on a similar number basis.

Moderator: The next question is from the line of Mr. Abhishek Singh from S&S Capital.

Abhishek Singh: Sir, my question is specifically regarding Hyderabad. I remember seeing and visiting your restaurant in Hyderabad a while back during COVID but the experience was very bad. And I believe you guys have also closed out Hoppipola, which was available in Madhapur. So just want to understand specifically from Hyderabad geography perspective, what is the company thinking about?

Rajesh Mohta: We are extremely sorry to hear that you had a bad experience. But if I may, that's the reason why we have closed Hoppipola and stores in Begumpet. We are only continuing with one in Madhapur. We are exploring with malls, especially in Nexus Malls, etcetera, wherein we can get space. And it is now in our target area that we should expand in Hyderabad as well. So in a couple of months' time, you would see some of our restaurants in Hyderabad as well, sir.

Abhishek Singh: That's good to hear, sir. Sir, the second question, what I have is like in terms of geography, which specific states, I think it is Kolkata and Mumbai when I'm going through the report but I just want to understand from you that, which 1 or 2 states where we are exactly focusing upon? And the follow-up will be that what is the case over there? Like why are we cherry picking these 2 particular states to expand the portfolio more over there?

Rajesh Mohta: See, if I may say so, Maharashtra has been the forte for the company and Eastern India Kolkata because there is -- there are opportunities in the city itself. So what is happening, we are not increasing our fixed costs by increasing our regional office, let's say, for instance, in Delhi to maintain that rather than amortizing the existing fixed costs over the new restaurants in these particular regions. But nonetheless, the path is there. Once we are able to saturate some of the cities like Mumbai, Kolkata,



and Bangalore, we would definitely move to other cities of Hyderabad and Tier 2 cities and NCR region in particular.

Moderator: The next question is from the line of Mr. Abhishek Singh from S&S Capital.

Abhishek Singh: Yes, sir. Just one more follow-up question. Actually, I want to understand what does the company think about it? So nowadays, a lot of companies, specifically if I talk about like Rebel Foods, they normally -- I mean, they normally operate on the basis of dark food chains, right? I mean they don't -- like I'm not getting that word. But I want to understand what is our company thinking about such kind of a model where we can also may be experiment on such a model, which will be specifically used for the delivery model, if I have to say, sir?

Avik Chatterjee: Right. So I'll take up that question. So currently, we do operate dark stores from all our restaurants. In fact, we were one of the first restaurant company to start that. For example, a Mainland China also delivers food from Asia Kitchen, a brand called Haka, a brand called Oh! Calcutta, and this adds to the total revenue while keeping the labor and the staff cost the same. Apart from this, we have also -- we also expanded into 11 cloud kitchen, pure dark kitchen operations in many cities apart from Mumbai, and we've been successfully operating those.

Another thing that has come up, another great brand that we feel has great potential for the future, and it also is our first QSR brand, which is Walters Burger. We've done our first pilot store, and we also, in fact, started with 3 cloud kitchens. And now we've added the fourth one as well. So total 5 delivery points, but 1 physical store.

What we feel is when you do have a physical store, your customer confidence increases, hence, the delivery sale increases in that matter. The difference here is the store size is probably only 600 to 500 square feet. Hence, the capex, rental operation costs are very, very minimal. But because it acts as a marketing store point, it helps the delivery to grow tremendously. And we'll be doing another 3 in the quarter, which is Walters Burgers.

Apart from that, we are also expanding 7 new restaurants in our Asian and 2 of them are going to be Italian within that. All these restaurants will also have dark kitchens of our other brands, hence, reutilizing assets and also increasing top line.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.



Speciality Restaurants Limited
August 06, 2025

Rajesh Mohta:

We are extremely thankful to all the participants who have spared time out of the busy schedule to attend to our investors call, and we are happy to answer any specific questions if they can be sent directly to us and look forward to better quarters and more interactions going forward. Thank you so very much.

Moderator:

Thank you, sir. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.