

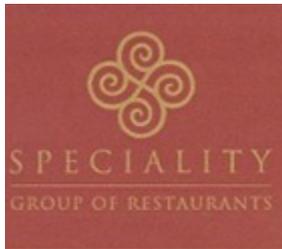


# “Speciality Restaurants Q1FY13 Earnings Conference Call”

**August 3, 2012**



**MANAGEMENT**   **MR. ANJAN CHATTERJEE – MANAGING DIRECTOR**  
**MR. RAJESH MOHTA – CFO**  
**MR. INDRANEIL PALIT -- COO**



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**Moderator**

Ladies and gentlemen good day and welcome to the Speciality Restaurants Q1FY13 Earnings Conference Call hosted by Kotak Institutional Equities. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. If you should need assistance during this conference call, please signal an operator by pressing '\*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Ms. Amrita Basu from Kotak. Thank you. And over to you ma'am.

**Amrita Basu**

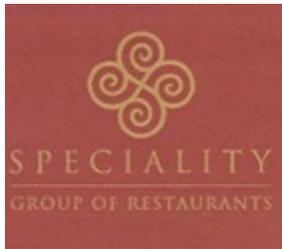
Hi everyone. Thanks, Marina. On behalf of Kotak Institutional Equities, I welcome all of you to this Speciality Restaurants 1QFY13 earnings conference call. I would like to welcome the Speciality Restaurants team, Mr. Anjan Chatterjee -- Managing Director; Mr. Indraneil Palit -- COO; Mr. Rajesh Mohta -- CFO. I will now hand over the call to Mr. Rajesh Mohta to discuss the recently announced earnings. Thank you. And over to you sir.

**Rajesh Mohta**

Hi. Good day, everybody. Rajesh Mohta. I would like to run through the financials for our quarters. We presented our March '12 numbers along with June quarter numbers. We closed our March '12 financial year on total revenues of 196 crores which increased from 173 crores with a year-on-year increase of 13.71%. EBITDA increased from 39.70 crores to 40.21 crores, signifying an increase of 1.27% and the PAT grew from 16 crores to 17.25 crores, resulting in an increase of 7.61%. The total number of stores as on 31<sup>st</sup> March were 84 including the franchise restaurants and our confectionaries. From March '12 to June '12 quarter, we grew on corresponding quarter basis on a revenue from 46.40 crores to 52.50 crores, resulting into a 13.35% increase which is from March to June '12, an EBITDA increase of 58.44% from 6.66 crores to 10.55 crores, and PAT grew from 2.23 crores to 6.60 crores resulting into an increase of 70% from March '12 quarter to June '12 quarter.

Coming to June '12 year-on-year June '11 quarter our revenues grew from 46.80 crores to 52.60 crores depicting an increase of 12.37%, with EBITDA being 11.57 crores in June '11 to 10.55 crores and PAT being 6.23 crores to 6.29 crores, and a flat increase of a percentage point on PAT.

We added four numbers of Mainland China's restaurants in the quarter ending June '12 with three restaurants got opened in the month of April and one in the month of June. With the closure of two restaurants, one franchise and one Sweet Bengal confectionary during this quarter, which resulted into an increase of four restaurants, a closure of two, the total taken to 86 as on 30<sup>th</sup> June, which included 19 franchise and 12 confectionary and 55 owned restaurants. Our presence continued in 22 cities in the country and one city in Dhaka, with our flagship brand Mainland China constituting 42 numbers of stores out of the 86.



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We would like to share our contribution from the June perspective in the country. East in June had 18 restaurants, contributing 25% of the revenues; West in June had 27 contributing 38% of the revenues, North had 8, contributing 11% of the revenues, Southern India had 19 stores contributing 26% of the revenues. Now on strategy and expansion, I hand over to Mr. Anjan to speak on.

**Anjan Chatterjee**

Yeah, hello everybody. This is the first quarter results in which Mr. Mohta has already explained that how we have fared, but then I always believe that this is the first quarter and usually in our business the H2 is much better than the H1, that is first half is not the best of seasons because the fine-dining actually picks up in and around the month festive season from September-October onwards and I think that we have seen certain things which are very pertinent and we are working very hard in terms of increasing the churn, we are working on the time which we are not necessarily keeping our restaurants open or there is a new strategy which we have come out with which should be working very well going forward from July onwards and we have seen very good response which is in the form of 9x9. From 7 o'clock till 9-9.30 we are not necessarily seeing too many footfalls. So what we are doing is that we are giving a flat 25% discount and we have seen this been piloted and we have got in the month of July some interesting results coming in, so we intend taking it all over India. And also in the stores which had located in the malls, we are keeping them open particularly in the weekend, that's Friday, Saturday and Sunday throughout the day, we are not having only a lunch and dinner menu, it is also a snack menu because we see a lot of footfall which is in the mall and then lots of people want to have a snack and a drink during this period and in the process we have seen the number of covers increasing during this period. And I am extremely sure of the fact that with the consolidation of Mainland China, which in fact, is our flagship brand which contributes to majority of our bottom-line and top-line also. We are also slowly and steadily taking Sigree to other cities, which is the Indian model, which as we have promised earlier on, we are looking at new format in the form of Mizuna that's an all-day bar and eatery which we will be having new – the third most popular foreign cuisine after Chinese and Indian being predictable. The foreign cuisines most popular being Chinese, the second one which is coming up is Italian in India, so we have been able to get some very good concept in the form of Mizuna which is being piloted in the month of October in Pune, which will be all-day dining and which will be an all-day bar and eatery where we expect that this is one area which we have not actually looked at earlier on, but today we are very with the kind of manpower, we have got the best of people coming in and we have got a consultant coming in from UK, who is going to be setting up and looking forward to our menu which will be very interesting and we have also researched and piloted in the city of Pune and Mumbai and got very good sampling has given us a very good feedback, so we look forward to this brand going along with mainland China, Sigree, and this will be the third brand of the company which we are very bullish on.

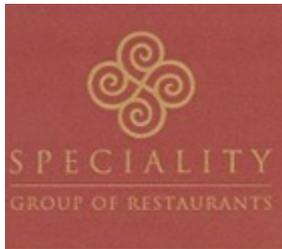
**Rajesh Mohta**

We can now go ahead with the question-and-answer session.



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- Moderator** Thank you very much sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Hemang Gandhi from Edelweiss, please go ahead.
- Abneesh Roy** Abneesh Roy from Edelweiss here. My first question is could you break up your sales growth of 13% into volume and price? And from the four different geographies, is East the fastest growing as we have seen in any other retail format?
- Rajesh Mohta** See to answer you, as far as contribution of our stores is concerned, 26% of our revenue is coming from East and 36% is coming from the West which is almost on the same levels what we had in the fiscal year '11-12 and for the June quarter.
- Abneesh Roy** So growth rates are more or less equal?
- Rajesh Mohta** Yes, it is.
- Abneesh Roy** And sir what is the volume and pricing growths in the 13%, if you could break that up?
- Rajesh Mohta** It's basically this particular 13% growth which is coming in primarily from a price increase to the extent of 6 to 7%.
- Abneesh Roy** And what is the same-store growth because you added new stores during the year?
- Rajesh Mohta** See as far as we are concerned, we look at same-store sales growth metrics. There are two revenues metrics for us; one is the cover churn and the average per cover. So we are looking forward for a churn in Mainland China in the range of 1.45 to 1.65 on an average for all Mainland China taken together.
- Abneesh Roy** Okay and you discussed regarding increasing your other format. So could you tell us on the breakfast option or in the delivery option or on the Italian option, any thought process you have on increasing, targeting sales from this?
- Anjan Chatterjee** In fact we are piloting Mizuna, the first piloted model which will be up in October, and we have already got allocations in some malls in the form of RPG mall in Kolkata. There is another acropolis mall in Kolkata again and in Bangalore, near white city, there is another space which we already have a Mainland China coming up. We have kept that area and in many places where we are negotiating, we are keeping a space for Mizuna, because it's an all-day dining format and it's more of an all-day bar and eateries, where the percentage of liquor sales is around 35-40%, which is obviously much more profitable because the liquor margins are much, much better. So, we are looking at this format, looking at the new trend which is coming in. The youngsters who are moving in and Italian getting more and more popular with people, the huge vegetarianism, and we have done a very sound ground work on that, we have got Shaun Kenworthy on board



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who is from UK and we have got one of the most important people coming in from the industry from the Taj Group and Oberoi and some people who were delegates 12:05 and so this is where the future will be coming in from, because excepting the fact that we are adding four restaurants, four plus four plus four every quarter which is absolutely on line. This quarter we have already done four, next quarter we are doing four more, and every quarter we are doing minimum of four, may be if Mizuna comes up, there could be another additional one. So on the same basis, I am looking at, very confidently that by the year-end we will cross the number of restaurants which we have done, because there are so many opportunities which are coming in for Mizuna, so we are blocking space for that and which is not a part of our calculation at this point of time, and I think that the EBITDA margin there also are very respectable, and I think since you run the restaurants from the morning that starts from the breakfast and its through the day till 12 o'clock 1 o'clock, I think the number of covers which come in, the churns are much, much bigger and better so we are concentrating on going forward on that and existing the icing that wherever we can we are doing some very unique marketing and we were right up 9x9 and also the malls which I spoke about sometime back. So they are all on line.

**Abneesh Roy**

Sir when does this pilot phase get over for Mizuna?

**Anjan Chatterjee**

See we have been doing it for months, but we should be able to be up as I said in the month of October.

**Abneesh Roy**

And if that's successful have you finalized say FY14 that is next financial year what will be the plans for Mizuna, how many stores would you open?

**Anjan Chatterjee**

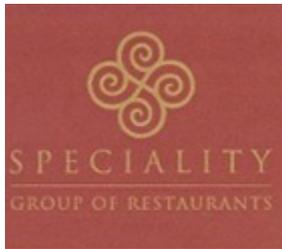
See, it will too early to say that. I can't say a figure but intuitively I am very bullish and because that's the kind of model which we will be definitely talking about a future, and then we are trying to take that target audience being younger 19-24 is the prime audience which whom we are concentrating and who drink more, eat less so I just can't put a number to that but I can tell you that we are very bullish.

**Abneesh Roy**

Sir last question is if you see many discretionary spends there is definitely pressure, if you see the retail companies have shown very slow growth. There has been a cut back in the Pizza sales, etc. So how are you sensing your customer base? The profile might be a big different from what I have mentioned. But how worried or how confident are you of the growth in the next two to three quarters?

**Anjan Chatterjee**

As I told you H2 is the best possible way, the second half of the year is the best time for us always and we have seen that the first quarter historically have not been giving us that kind of a result, but then I can say with confidence with the leverage in the Chinese space, I think we are only one who is operating, and there are very few options that you can have because as you



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know that its five star food and service at non-five star prices, I think that there is a dedicated loyal customers who are with us and I am not too worried about the fact that, but what we are doing surely to give comfort to them. We are doing a lot many things which are in the form of a package, in the sense that we have just launched our new menu all over India and we have ensured that one of the new items on the menu is complimentary given to everybody whoever is coming in and we are ensuring that that's the way of relief, we can't sound desperate saying that we are discounting our brand but at the same time when we want to give them a sample of our complimentary dish, which is from the new menu it's an opportunity and we have seen that there is a footfall increase after June. July has been respectably much, much better and I am very, very confident that August also will be good and very good for us, because September usually does not become good, but this time there are five weekends, 60% of our business is weekend driven. So I think I am very confident that we will be able to, even if there is of course discretionary spends you are tracking the whole market much more than us, you understand that. But, we are working 24/7 and we have the best part is we have a dedicated customer base whom we have the privilege card members, who we are communicating with very, very regularly and we are keeping them informed of the kind of development we are doing. We also intend having one or two of these special week days where we may try in some of the restaurants in non metros, a buffet dinner, which is fixed price. At this point of time lots of people are not very sure of having A la carte in smaller towns, I am talking about Tier II cities. So we intend having buffet dinner which we have tried in Ahmedabad for a week which is working very well. So we have our own ways and means to ensure that we continue to ensure that the top-line, bottom-line.....

**Abneesh Roy**

Why only non-metros, to increase sampling?

**Anjan Chatterjee**

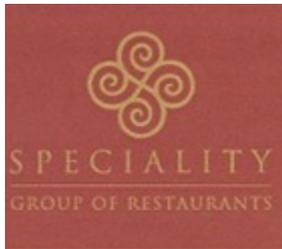
The only thing that in metros we have not seen too much of fluctuation happening at the moment excepting Mondays, Tuesdays are usually historically very bad, Wednesdays are picking up very well, in July have been very happy and I think that we want to do it in mini metros in tier II cities because there is pressure of money is more there and the intensity of going out and eating is less, so we want to cut that resistance so that they have a fixed meal, they come for a movie, they like the movies, the movie halls also have an off-prime time, for a prime time and off-prime time, so we are planning to do something like that.

**Moderator**

Thank you. The next question is from Grishma Shah from Envision Capital, please go ahead.

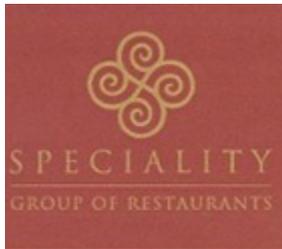
**Grishma Shah**

I just wanted to know you said H2 is better than H1, but if I look at the numbers it does not appear to be that significantly different in terms of sales at least. So that is just taking your last year's yearly numbers and the March and the June quarter for FY12. That does not signal that H2 is significantly better than H1 for me?



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- Rajesh Mohta** From a revenue perspective, when you will have overall revenue numbers for all quarters you would be able to find that, around 52-53% of the revenues are in Q3 and Q4 which is H2. Here, what is happening because of the number of stores, etc. increasing and maturity of the stores Q3 and Q4 numbers will not be comparable.
- Grishma Shah** Yeah, but sales is somewhat flattish if I look at the first quarter last year and Q4 FY12, I mean it does not seem that there is any seasonality in the business or maybe H2 is better than H1?
- Rajesh Mohta** Not very substantial but the degree difference is 53-47%. 47 in H1 and 53% of the total 12 months revenue.
- Grishma Shah** So it doesn't make that big of a difference. The other question is on the cost if you could highlight the cost line items, we see the cost of material consumed increased for us and also the other expenses, so if you could tell us what is the trend going to be and are there any price increases we are going to take given the food inflation?
- Anjan Chatterjee** Let's say, increase in prices historically have been twice every year based on the inflationary pull, year before when the inflationary pull were at the peak there were more number of price increases, but the idea behind this considering the raw material price increases since we enter into an yearly contract with most of our suppliers try to factor in that particular price increase which we have on raw material on our end prices on an yearly basis and try to neutralize the impact.
- Grishma Shah** Okay. But this quarter if you could highlight why the cost of material consumed has gone high?
- Anjan Chatterjee** See, if you look at from a percentage point of view, raw material price had been 24.72% in the month of June '11 has increased to 25.56 considering the inflation which we had in this particular period over last year. So, this percentage point is less than 100 bps higher on a total revenue because in April this year we have not taken any price increase.
- Grishma Shah** Okay which usually you do take?
- Anjan Chatterjee** That's right. We will now take it.
- Grishma Shah** The other question is on the other expenses, if you could highlight why have they gone up, is it more because of the new store openings?
- Anjan Chatterjee** See, there are two components. When you open a new store there are front end cost which gets charged on to the profit and loss account. Mainly what has happened in this particular quarter, there is an increase of service tax from 10 to 12% on our rental, which is one particular increase and second increase is on the power cost which has increased all across the country on unit basis.



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- Grishma shah** Sure and where do you account the free sampling and flat 25%, where will all that come?
- Anjan Chatterjee** These all gets captured in the raw material cost basically, that does not get booked into our revenues.
- Grishma Shah** Okay. So now going this year, how do you see this year in terms of say, revenue, I mean given that with new store opening every quarter, how do you see the cost and the revenues 22:35, some idea?
- Anjan Chatterjee** We can generally say the trend would continue to be there that's what we can say at this point.
- Moderator** Thank you. The next question is from Subramaniam P.S. from Sundaram Mutual fund, please go ahead.
- Subramaniam P.S.** Just on the business plans going ahead, what is the role you see for takeaway in your overall scheme of things and anything that you already started and what are the initial signs that you are seeing in terms of acceptability and all?
- Indraneil Palit** See, the takeaway market we were not pursuing it very strongly earlier, but now that we have realized that this market is growing at a very high rate. Already takeaway market is almost 5% at the moment by way of revenue.
- Subramaniam P.S.** For you sir?
- Indraneil Palit** Yeah, that is correct. So I think we will take it even further by providing schemes and things like that which we are looking at it, at the point we are finalizing those and piloting it very soon. So in other words, we recognize that there is a growing market there and we would like to capture it as well, from the 5% we will try to take it. We are improving the packaging. We are going to look at so that it hots up or do not have to reheat it and also one meal dish where you can just open and have it without mixing anything you can just have it from the box itself like a \_\_\_\_\_ **24:24** box. So those things are underway. We hope that we will take it up by 5%; we can take it as much as 7%.
- Subramaniam P.S.** Right. And is this available across all formats or is it only for Mainland China that you have it now sir?
- Anjan Chatterjee** We are focusing on Mainland China specifically; however, our takeaway in the Indian or the other brand is not as high because numbers are also much less. But Mainland at the moment being the flagship brand the whole constitution is there.
- Subramaniam P.S.** Right and anything in terms of delivery also that you are doing sir?



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**Rajesh Mohta**

Yeah, we are delivering, I mean we have free home delivery in nearly all locations and we are increasing the focus by increasing number of people, trying to get connect with it and care the database and things like that. The software is also coming in so we do not make a call like the others QSR have. Your details get recorded and things like that. So those things are already on the way.

**Subramaniam P.S.**

And any thoughts in terms of having an exclusive delivery takeaway kind of an outlet or would this all be integrated with the fine dining part of the business?

**Indraneil Palit**

It is integrated itself because I think if having another set up will increase the cost in a different format altogether. I mean because what people like to do is to take Mainland China in the neighborhood and they will like to food from there itself. So at the moment we are looking at an integrated model, not really something separate, no.

**Moderator**

Thank you. The next question is from Kunal Bhatia from Dalal and Broacha, please go ahead

**Kunal Bhatia**

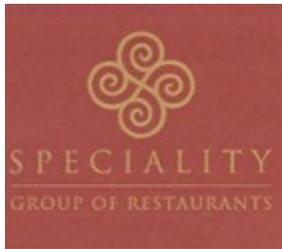
Just if you could elaborate a bit more, you mentioned something about your churn ratio going up from 1.45 to 1.65

**Rajesh Mohta**

See this is a combination of various factors primarily like Mr. Anjan earlier said so. The places where we are into malls like we are trying to keep our restaurant open between the lunch time and the dinner time is resulting into higher number of footfalls, number one. Number two, the proposition of dine by 926:49 resulting into the utilization of idle capacity primarily before the 9 o'clock period during the dinner time. So third is let say it is the introduction of the new menu all across the country which we have done. These are all the efforts which are being taken. Let's say from a Mainland China perspective we have already started our new menu in the month of July which is giving and we have gone ahead with an advertisement place by having hoardings, etc. in all the cities of the country wherever the footfall is. So we are finding that people who had been there are once again coming back is resulting into a higher number of footfall...

**Anjan Chatterjee**

Yet another reason to come over to Mainland China, in fact, Headlines says that Chef \_\_27:30 wants you to try his \_\_ new menu. So lots of people, I don't know if you have seen the hoarding it's just basically talking about the fact that it is yet another reason to refresh yourself, because people tend to get bored with the old menu, so we usually do it once a year around the time when it is the Chinese New Year, but this time it is going to be delay it because the reasons that we understood that we need one more reason for people to come over to Mainland China and we think very interesting trend coming in. And in Sigree as well as Oh! Calcutta and everywhere we are having a new menu coming in one after the other and we intend pushing because Oh! Calcutta in particular the Hilsa Festival, Hilsa is a very big driver, so which has just started now



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we will be promoting that. So I think July, August, September, we have all the reasons to believe that things will be much-much better.

**Kunal Bhatia**

And what percentage of your revenue would be towards home delivery?

**Rajesh Mohta**

At the moment it's 5%, but as Mr. Palit said sometime back that we have hired a person from a logistics company and we are doing a complete study to ensure that we have a separate area, so it doesn't increase any cost for us. We just need to around 50 sq. ft. of area that you have telephone, you have software and you have four motorcycles to go across. I didn't want to get the fine-dining experience going out of the areas, we just don't want to be shabby delivery system, we did not want to become a delivery model because the whole experience as a brand will go away. We are working very hard to ensure that the packaging that we have is much, much better than just a plain box coming in. So there is a lot of work which is being done, so I think that going forward we will definitely think that this is an area which is without adding any cost we will be able to at least take it to 7-8%.

**Kunal Bhatia**

Okay, and finally, do you have any ratio in the sense of what percentage of your revenue comes in on a weekend vis-à-vis a week day?

**Rajesh Mohta**

Weekend contribute around 57% to 60%. When I say weekend I include Friday, Saturday and Sunday.

**Kunal Bhatia**

Okay so normally on those days in case of a fine dining, how is the churn over, say after 9 o'clock?

**Rajesh Mohta**

It is in the range of 2 to 2.6.

**Moderator**

The next question is from Vishal Chopra from UTI Mutual Fund, please go ahead.

**Vishal Chopra**

I wanted to understand in Q4FY12 numbers, the employee cost, lease, rent and other expenditure as a percentage of revenue was very high. What was the reason for the same?

**Rajesh Mohta**

When you say high in Q4 primarily what happens is there were five restaurants which got opened in Q3 and Q4, the maturity is happening now.

**Vishal Chopra**

Okay and in Q1, how many restaurants you opened?

**Rajesh Mohta**

We have opened four restaurants.

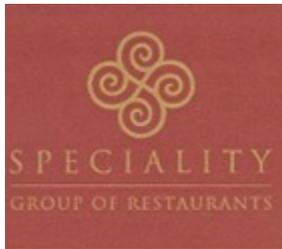
**Vishal Chopra**

Four Mainland China?



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- Rajesh Mohta**                      That's right.
- Vishal Chopra**                    And all are company or franchisee?
- Rajesh Mohta**                    All are company own.
- Vishal Chopra**                    Okay and is it possible to give us details on Mainland China with respect to covers for restaurant turnaround, EPC for this Q1?
- Rajesh Mohta**                    This is one metrics which we have, we would like to present a bit later. We are working on it till something going forward.
- Moderator**                        Thank you. The next question is from Raj Mohan, an Individual Investor, please go ahead.
- Raj Mohan**                        I had a few questions; the first is the company has seen robustly improving operating margins till about financial year 2011; however, since then the margin seemed to have softened and flattened a bit. Can one draw an inference that the new restaurants opened in the last one and a half years have sort of not shown the traction of the earlier restaurants resulting in lower operating leverage?
- Anjan Chatterjee**                See Mr. Raj Mohan, your point is valid from numbers but what is happening like if you look at our span which is getting expanded in particular cities like say in Mumbai two year in 2000 till 2009 we were having two restaurants, today we have eight Mainland China, the same is happening with Bangalore. So primarily what is happening expand of one particular brand and one particular city is increasing.
- Raj Mohan**                        Okay. Essentially, I was looking at the financials of your prospective presentations since 2007, when you have sort of steadily increased on your restaurants on a yearly basis. There has been no sort of alarming increase in any one particular year for you to be say disproportionately worried about the impact on operating leverage. But still I find this bit intriguing that since FY11, till when you have been increasing steadily by 100-200 basis points on a year basis, you have been sort of flat after that. So post your answer, what I would like to understand is with higher Mainland China focus over the next three years, which should kick in more operating leverage because as I understand Mainland China operates at a 35% operating margin. Can we sort of again revert back towards steady improvement in margins of say 100-200 basis points on a year-on-year basis over the next three years?
- Anjan Chatterjee**                That's the fact which is going to happen, reason being there was a corporate cost which was done to take this kind of an expansion in place. Our corporate cost and which would get amortize the



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moment we have more number of Mainland China and higher EBITDA margins which we would get from Mainland China.

- Raj Mohan** Okay so say currently you are at 20% operating margins. Can we sort of expect over the next three years you would be approaching somewhere around say, 23 to 24% operating margins? Will that be realistic?
- Anjan Chatterjee** Yes please.
- Raj Mohan** Okay. Can you sort of provide a breakup of buffet and À la carte in percentage of revenues in your restaurants which are in steady-state and what are the operating margins specifically in both buffet and À la carte?
- Rajesh Mohta** See from a revenue perspective, yes, we can say it is 30-70%, 30% buffet and 70% À la carte, but when you talk in terms of margins for buffet and À la carte because it becomes a composite revenue for us, it's very difficult to identify what are the margins on buffet revenues, because we have buffets in lunch and dinner also. So the total revenue gives us this kind of operating costs.
- Raj Mohan** Okay, but will it be sort of appropriate to get that À la carte margins would be more than buffet margins?
- Rajesh Mohta** No.
- Raj Mohan** Okay, in this slide you also mentioned takeaways to be around 5% to be increasing to 7-8% in the call. What will be the margins in takeaways?
- Rajesh Mohta** Let's say our margins on delivery it is primarily same as À la carte but what happens is from an overall operating leverage perspective if the revenues are increasing without any additional cost excepting the variable cost the margin improves thereon.
- Raj Mohan** Understand, so it will be typical similar to À la carte or slightly more than À la carte. And then coming on to your 25% discount between 7-9 pm that you discussed in your opening remarks since July, is there any margin compromise in that or the volumes are compensating for that?
- Anjan Chatterjee** Definitely because that's an idle capacity. I mean \_\_\_36:46especially in the metros, don't want to move in at this 7 and 9, you know the prime time starts from 9.30 depending on the city. Particularly in a Mumbai city, 9-9.30 is the time you start warming up to go to a restaurant. \_\_\_ A huge potential here and we have been doing fantastic campaign through, we have been sending text messages to our own loyal customers. \_\_\_ Very happy because if they come in at a point of time 8-8.30 and there is price sensitivity which is really in a city like Kolkata we are getting a great response because people are price sensitive and the brand has great draw and it breaks the



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barriers and people come at 8-8.15 and then finish Calcutta sweets early, so in Bangalore also and in Chennai. So we are seeing some interesting action coming in.

**Raj Mohan** One final question would you like to leave a revenue and profit estimate for this year that you are projecting?

**Rajesh Mohta** I am not supposed to give my forward numbers.

**Raj Mohan** Okay but would it be appropriate for us to sort of conclude that what you have been doing historically over the last three to four years that will be the trend that will be replicated?

**Anjan Chatterjee** Definitely yes. That is the endeavor and \_\_\_38:12 we should be able to achieve.

**Moderator** Thank you. The next question is from Saurabh Kanodia from Smith Securities, please go ahead.

**Saurabh Kanodia** Yes sir, our tax rate for the current quarter is around 24.7% or so, so can you elaborate more on paying lower taxes and can you give me some sense regarding the tax rate for the full year?

**Anjan Chatterjee** See what has happened is because of the money flowing and we have some treasury income which is getting tax-free resulting into an overall reduction in the tax rate and \_\_ 38:50 you see at this level for this particular fiscal.

**Saurabh Kanodia** Okay and can you also give me some break up of the other income, what is your percentage coming from treasury and others?

**Anjan Chatterjee** It is primarily treasury.

**Moderator** Thank you. As there are no further questions from the participants, I now hand over the conference to Mr. Rajesh Mohta for closing comments.

**Rajesh Mohta** We are extremely thankful to all the participants who joined on this call and we look forward for your support. Thanks so very much.

**Anjan Chatterjee** Thank you so very much.

**Indraneil Palit** Thank you.

**Moderator** Thank you very much gentlemen of the management. On behalf of Kotak Institutional Equities, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.