

Apeejay Surrendra Park Hotels Limited
Earnings Conference Call Q4FY26

– **Moderator:**

- Ladies and gentlemen, good day and welcome to the Apeejay Surrendra Park Hotels Limited Q4 FY26 Earnings Conference Call hosted by PL Capital. 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 * and then 0 on a touchscreen phone. Please note that this conference has been recorded. I now hand the conference over to Mr. Jinesh Joshi from PL Capital. Thank you and over to you, sir.

– **Mr. Jinesh Joshi – PL Capital:**

- Hi, on behalf of PL Capital, I welcome you all to the Q4 FY26 earnings call of Apeejay Surrendra Park Hotels Limited. We have with us the management represented by:
- Priya Paul, Chairperson and Executive Director
 - Mr. Vijay Dewan, MD
 - Mr. Atul Khosla, Senior Vice President Finance and CFO.

- I would now like to hand over the management for opening remarks. Over to you, ma'am.

– **Ms. Priya Paul, Chairperson and Executive Director, Apeejay Surrendra Park Hotels Ltd:**

- Thank you. Thank you, Mr. Joshi. Good afternoon, everyone. Thank you for joining us today to discuss our 4th Quarter and financial year 2026 earnings. On behalf of the board and the management team of Apeejay Surrendra Park Hotels Limited, I would like to extend a very warm welcome to each and every one of you.
- FY26 and particularly the final quarter of this year was marked by a dynamic operating environment for the hospitality industry. The sector witnessed periods of volatility driven by geopolitical developments, disruptions in international travel flows, intermittent supply side constraints including LPG shortages in select markets, inflationary pressures across operating costs and fluctuations in travel sentiment across certain regions. Despite these challenges, the Indian hospitality industry continued to demonstrate strong resilience, supported by robust domestic demand, sustained momentum in weddings and MICE activity and increasing consumer preference towards premium differentiated and experience-led travel.
- Importantly, supply growth within the premium hospitality segment continues to be measured relative to the demand growth across most key markets. This continues to support healthy occupancies, pricing strength and long-term confidence across the sector. The industry is also benefitting from broader structural tailwinds, including rising disposable incomes, improving travel infrastructure, growth in organized travel, increasing corporate mobility and strong domestic tourism trends.
- Against this backdrop, FY26 was another year of steady operational performance and strategic progress for the company. We continue to strengthen our position across hospitality, food and beverage and experiential lifestyle segments, with a healthy momentum across our core hotel portfolio. Our brands continue to demonstrate strong market positioning across several key cities, with year-round occupancy at 91% and RevPAR leadership across the upper upscale segment, reflecting the differentiated nature of our hospitality offerings and the strength of our customer engagement and loyalty.

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- During the year, we also continue to expand and diversify our hospitality platform through a balanced mix of owned, managed and leased assets, while maintaining focus on a disciplined and capital-efficient growth. At the same time, we continue to make progress across our long-term development pipeline, spanning hospitality-led mixed-use developments, urban destinations and leisure markets. Our residential and hotel project in Kolkata has had a successful start, with 29 apartments sold at market-leading rates. Vishakhapatnam will commence construction very shortly and our boutique property in Juhu will be ready within a year.
- Our lifestyle-led ecosystem across restaurants, nightlife and experiential food and beverage formats also continue to see encouraging traction during the year, supported by strong consumer engagement and increasing preference for differentiated social experiences.
- Several of our hospitality and F&B formats also received important industry recognitions and accolades during the year, reinforcing the strength of our brands and design-led philosophy.
- Flurys, our pastry confectionery brand with over 110 stores, continued its growth momentum and further strengthened its presence across a few geographies. The business has continued to scale in a disciplined manner across multiple formats and cities, and over the next year or two, the ramp-up will be significant across the rest of India.
- Operationally, the year also marked important progress in strengthening our internal capabilities and long-term operating platforms, initiatives around technology integration, process improvement and sustainability. These continue to remain key focus areas as we build a stronger and more future-ready organization.
- As we look ahead to FY30, our vision is centered on building a stronger, more scalable and future-ready hospitality platform. We are strategically expanding our presence in the fast-growing mid-market segment, while accelerating our asset-light growth strategy to drive efficient and sustainable expansion, with a clear target of surpassing 6,000 keys by FY30, we remain focused on maintaining industry-leading occupancy levels and enhancing profitability across our portfolio. At the same time, we continue to unlock embedded real estate value while leveraging technology-led initiatives such as Nor1, our AI-driven upselling platform, to further elevate guest experiences and revenue optimization.
- With a portfolio of differentiated brands, strong position across hospitality and lifestyle segments, and a growing development pipeline across both owned and managed assets, we remain confident about our long-term growth prospects.
- With this, I would now like to hand over to Mr. Vijay Dewan, Managing Director of our company, who will take you through the detailed operational and financial highlights for the quarter and for the year. Thank you very much. Mr. Dewan.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Thank you. Thank you, Ms. Paul. Good afternoon, everyone, and a very warm welcome to each one of you. It is always a pleasure to have you with us, and today, especially so. On behalf of my colleagues across the organization, I thank you for your trust, your patience, and your belief in what we are building at Apeejay Surrendra Park Hotels Limited.
- FY26 has been a significant year, with revenue crossing the 700-crore milestone for the first time. Q4 continued to reflect resilient operating performance across the portfolio, with the company maintaining its leadership position in occupancy and RevPAR. The sale of service apartments at EM Bypass Kolkata has exceeded expectations, resulting in substantial improvement in this year's cash flow.

- The 75% dividend payout approved by the board reflects the strength of our balance sheet and growth momentum. The outlook remains positive, and we continue to focus on creating long-term value for our shareholders through strategic portfolio expansion, enhanced guest-centric experiences, operational excellence, and sustained margin improvement.
- In Q4 FY26:
 - Consolidated operating revenue stood at 184 crores, up 4% year-on-year
 - EBITDA stood at INR 53 crores, with an EBITDA margin of 28.85%.
 - Profit after tax stood at 12 crores, with a PAT margin of 6.44%.
 - The company maintains its leadership in occupancy and RevPAR. The ARR increased 3% on a year-to-year basis at INR 9,020, and RevPAR remained resilient at 8,149, despite a very high base.
 - The Park Calcutta achieved occupancy of 100% for the quarter and for the year, maintaining its record of world-leading occupancy.
 - The Park Chennai at 95%, and the Park Navi Mumbai at 93% were among the top three in occupancy.
- For the full financial year:
 - Consolidated operating revenue stood at 707 crores, registering a growth of 12% year-on-year
 - EBITDA stood at 218 crores, with an EBITDA margin of 30.82%.
 - Profit after tax stood at 66 crores, with a PAT margin of 9.21%.
 - Occupancy for the year remained strong at 91%, while ARR increased 9% year-on-year to 8,304.
 - RevPAR also grew 7% year-on-year to 7,584, reflecting continued pricing strength and healthy operating momentum across the portfolio.
- Although profitability during the year was impacted by war and tension in the Middle East, higher depreciation and finance costs linked to ongoing expansion initiatives, the overall operating environment remained healthy, and demand trends across most of our key markets continued to be encouraging.
- Our performance continued to outperform the industry across several major markets, including Kolkata, New Delhi, Bangalore, Goa, Navi Mumbai, and Vizag, reinforcing the strength of our differentiated designed hospitality model and lifestyle-led guest engagement strategy.
- Food and beverage continues to remain a significant contributor to our overall hospitality ecosystem and a key differentiator for our brands. During FY26, F&B revenues crossed INR 300 crores and contributed approximately 43% of total revenues, supported by healthy traction across restaurants, nightlife, and experiential dining formats.
- During the year, we won several awards.
 - Ran Bass The Palace, Patiala featured in the Prix Versailles global list of architecture and design awards.
 - Ran Bass The Palace was also awarded with One MICHELIN Key, demonstrating high quality of our product and differentiated service experiences.
 - The Lotus Palace, Chettinad featured in the Travel + Leisure's list of 100 Best New Hotels in the World.
 - During the quarter, several of our signature outlets, including Dusk at the Park, Navi Mumbai, Aqua at the Park, Bangalore, Aqua at the Park, Navi Mumbai, and Someplace Else, received important industry recognitions and awards, further reinforcing the strength of our experiential F&B positioning and lifestyle-led brand ecosystem.

- Flurys also maintained strong momentum during the quarter, with continued expansion across formats and cities, further strengthening its presence within the retail F&B segment. The brand has now grown to 110 outlets, reflecting steady and disciplined scale-up, supported by improving consumer traction and strong brand affinity. Flurys plans to add more than 30 outlets over the next 10 months. It plans to enter the new markets of NCR with 8 outlets, Pune 5 outlets, and Bangalore 4 outlets. In preparation for its centenary year in 2027, it plans to reach 100 outlets in West Bengal alone.
- Flurys delivered robust revenue growth of 29% year-on-year during FY26, while continuing to deepen customer engagement across markets. We are pleased to welcome Mr. Rohit Kakra as the new Chief Operating Officer of Flurys effective April 2026, and we continue to strengthen leadership capabilities to support the next phase of growth for the brand. Mr. Rohit Kakra brings in 23 years of experience and was previously the Chief Operating Officer at Costa Coffee and Pizza Hut.
- On the development front, we have made substantial progress across our growth pipeline.
 - At EM Bypass, we launched our integrated hospitality-led mixed-use development comprising of 218 hotel rooms and 69 service apartments. Out of the two blocks in this project, one block has been launched. Out of the 34 apartments in the block, 29 have been sold at an average realization price of Rs. 20,857 per square foot. The sale has exceeded our expectations and has contributed positively to cash flows during the year. Cash flows have improved by over 11 crores up to April '26 on account of EM Bypass apartment sales. The second block of apartments is expected to be launched in September-October this year. From EM Bypass sale, we expect additional cash flow improvement of close to 70 crores during the course of this year.
 - We have also finalized the design for the Park Mumbai at Juhu, comprising now 78 rooms with project commencement planned in June '26 and completion targeted by about March '27.
 - In Vizag, with the environment clearances now in place for the upcoming 100-room development, project launch is expected to be on ground in August of 2026. Project teams are already at and site preparation has started.
- Expansion remains a key focus area during the year as we continue to strengthen our presence across leisure, pilgrimage, and urban destinations through a disciplined asset-light strategy. During FY26, we launched 7 hospitality properties adding 283 keys to our network, including three hotel launches during the quarter itself: Zone by the Park Darjeeling, Zone Connect by the Park Gangtok and Zone Connect by the Park Katra. During FY27 we plan to add 12 hotels totalling to 472 keys, out of which 8 would be asset-light side of the model taking the total key count past the 3,000 keys by FY27.
- Over the next four years we plan to double the number of hotels from 42 hotels presently to 85 hotels and take the key count from 2,677 to 6,635. A 2x growth will happen in our owned hotels and a 3x growth in the asset-light model under Zone by the Park and Zone Connect by the Park.
- In other areas we also completed the successful implementation of SAP S/4HANA during the year which will strengthen financial controls, improve reporting quality, enhance overall operational efficiency across the organization.
- Sustainability also remained an important focus area for us and under the Park Planet Plus program we have reached 100% or near 100% green mobility in guest services in our owned hotels.
- Looking ahead the demand environment for the Indian hospitality sector remains favourable. Structural growth drivers including domestic travel, weddings and MICE businesses, experiential consumption and limited supply growth across several markets continue to support strong medium to long-term industry fundamentals. We remain well positioned to capture this growth.

- At Apeejay Surrendra Park Hotels our journey continues to be guided by the principles of growth, governance and green. We remain committed to building an organization that combines innovation with responsibility, while creating meaningful experiences for our guests and long-term opportunities for our people.
- Equally important, we continue to strengthen our culture as a people-first and AI-first organization. We believe technology and artificial intelligence are powerful enablers of growth, efficiency and guest satisfaction, but our success will always be driven by our people, their great creativity, commitment and passion for hospitality.
- With a strong balance sheet, a robust development pipeline, growing brand equity and committed leadership team, we remain well positioned to capture the opportunities emerging across the Indian hospitality sector and to deliver sustained long-term growth.
- I would like to extend at this stage my heartfelt gratitude to our shareholders, customers, team members and business partners for their continued trust and support. Their confidence inspires us to keep innovating, growing and creating enduring value for all our stakeholders. Thank you.
- With this I would like to hand over to the moderator once again to open the floor for the Question & Answer session. Thank you very much.
- **Question & Answer Session:**
- **Moderator:**
- We will now begin with the question and answer. Anyone who wishes to ask a question may press * and 1 on the touch screen telephone. If you wish to remove yourself from the question queue you may press * and 2. Participants, you are requested to use handsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles.
- We have the first question from the line of Archana Gude from IDBI Capital. Please go ahead.
- **Ms. Archana Gude – IDBI Capital:**
- Hi thank you for the opportunity. I have got three questions. Firstly, on the hotel side. So this ADR has shown some decline or sequential quarter, as well as on YoY there was just 3% growth. So how we should read these numbers where there's some cancellation during Q4 which led to this degrowth?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So yes you are right. There have been cancellations because of the geopolitical situation and the war in the Middle East. Large significant cancellations did take place in Delhi as well as in Hyderabad. But things have stabilized now and we expect the conditions to further improve starting now. And we expect that the growth will continue to be strong for us as we move forward.
- **Ms. Archana Gude – IDBI Capital:**
- Okay. So even on full year earlier, you had guided mid-teens kind of growth on top line, but somewhere we're at 12%. So is that we need to really work on some RevPAR part? What is really missing that we missed out on that 15% mark sir?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So 12%, considering there were two disruptions. One would say two disruptions have taken place during the course of the year. One is the disruption which took place because of Operation Sindoor which happened in

Quarter 1. And the second disruption has taken place because of the war in the Middle East which started towards the end of February and continued right into April, and still the settlement has not yet happened. But the signs are looking very positive, and we hope that over the next week or so, that the situation comes back to normal through the extension of this 60 days' ceasefire. And then that should lead to, definitely, an improvement in performance.

- Already we are seeing that India's domestic travel was strong and it continues to be strong. And we are a strong domestic player and we should be able to take advantage of that. So the 12% growth, if you are saying... I would say that the 12% growth, considering the fact that there were two disruptions, has been very good.

– **Ms. Archana Gude – IDBI Capital:**

- Okay, okay. The second question is on Flurys. So the total number at the end of FY26 is obviously lower compared to what we guided before. So are there any challenges on the expansion what we didn't envisage earlier? What are the achievable expansion plans for next two years?

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- So right now, the way the expansion is being planned, we plan to add... we are at 110 outlets. We are definitely going to add 30 more outlets during the course of the next 10 months. And this expansion is going to happen largely in Delhi where we plan to add 8 outlets. And then in Pune we plan to add 5 outlets. And then of course we have plans for West Bengal, Hyderabad and Bangalore also. So adding 30 outlets is definitely going to happen. We plan to take it from current level of 110 to 140 outlets, or maybe a little bit more. And then the plan remains to add 40 to 50 outlets of Flurys over the next four years to 2030.

- And as I mentioned, we have strengthened our leadership team with the appointment of Mr. Rohit Kakra who has joined in as the Chief Operating Officer. Firstly, we welcome him. He has a lot of experience in this retail F&B format; 23 years of experience and good experience in being the Chief Operating Officer at Costa Coffee and Pizza Hut. And we believe now under his leadership and a strong leadership team which already exists, that we would be able to achieve the numbers we are committing to.

– **Ms. Archana Gude – IDBI Capital:**

- Right sir. Is there any bifurcation you would like to give of this 30 number for Flurys? Will it be more scoot towards kiosks, or more the tea rooms and cafes?

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- Largely it is going to be on cafes but yes there will be one or two flagship stores in each of the markets we enter. Like in Delhi, we expect at least two flagship stores. Delhi when I'm saying, it is Delhi NCR. But large amount of this expansion is largely going to be in the cafe format, and we feel that the cafe format is the most promising as we move forward.

– **Ms. Archana Gude – IDBI Capital:**

- Right sir. So thank you so much and all the best sir. Thank you.

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- Thank you, Archana. Thank you for being with us.

– **Moderator:**

- Thank you. Before we take the next question a reminder to all the participants you may press * and 1 to ask questions. We have the next question from the line of Malav. Please go ahead.
- **Mr. Malav – Participant:**
- Hello. Yeah I have a couple of questions. What are the key growth drivers going forward given our high occupancy levels? And the meaning and calculation of 100% occupancy for Kolkata hotel?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- The focus is going to be on ARR. We are during the course of the year going to be carrying out room renovations across our properties. We are going to be renovating at Chennai, Bangalore, Kolkata, Vishakhapatnam. So this improvement in the product is going to definitely help us in improving our ARR as we go forward.
- Also, there is there is no doubt that there is a significant demand-supply gap and it continues to be there. As you all know, India has only 2,16,000 rooms in the branded category and not much of supply is coming in as we are moving forward. So demand side continues to be strong and the supply is lower by at least 200 to 300 basis points. So that should help us in improving ARR, and that should drive our growth going forward in the existing properties.
- As you know that during the course of last year we had opened the Ran Bass The Palace at Patiala. We also opened THE Lotus Palace at Chettinad and we have completed the acquisition of Purity, the 17 room property at Purity in Cochin on the Vembanad Lake. These properties... Firstly Purity was only operating for three months in the last financial year. So that property is going to add our growth into our growth story. And also along with this the two properties, the two palace hotels are going to further stabilize and drive our growth strategy going forward.
- Additional, of course, growth will happen because of the expansion on the asset-light side of the model and also the addition of three lease properties which we plan to acquire during the course of the year. And of course along with that, we are to complete the acquisition of the Malabar House at Cochin which should happen over the next month or so, and with that also there would be increase in our performance and in our revenue model.
- Alongside this, there is going to be, of course, rapid growth in our Flurys' model which should take our revenues to a much stronger position, and with that we should be able to deliver a significantly strong performance.
- **Mr. Malav – Participant:**
- Okay and meaning and calculation of 100% occupancy for Calcutta hotel?
- Because anytime I'm on the website, I am able to book the rooms. So I'm not understanding that my understanding is correct or... You are saying that 100% occupancy, but your website says rooms are available for Calcutta hotel.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Rooms will always be available on the website... will be available or may not be available. The most important thing is that rooms are open on the website right up to midnight. So, some days you will see that the rooms are available up to late in the evening. But the hotel has always delivered a 100% occupancy, and it's not only or near 100% occupancy over the last 10 years except the two COVID years, and in those two COVID years this hotel and in fact our group demonstrated very high occupancies.

- The reason why occupancy is high firstly at Park Calcutta and also at the Park hotels, is because we have a very effective revenue management system. We have a team which is highly dedicated and highly passionate about achieving 100% occupancy. And then, our hotel is an entertainment destination. So people prefer this hotel over other hotels. And lastly, all our hotels have great entertainment and are exceptionally well located. So location of the hotel makes a significant contribution for selecting the hotel and giving us that 100% occupancy.
 - Very important thing to note, is that the Park Calcutta, because of its services, because of its location and because of its entertainment, it has a very high percentage of repeat customers. The repeat customer base of this hotel is also at 30%, which is among the highest in the country and possibly in the world. So repeat percentage of customers is very, very high in this hotel. It is because, as I said, because of its location, because of the entertainment offerings and because of its services.
 - **Mr. Malav – Participant:**
 - Okay, but I want the calculation. What do you mean by calculation of 100% occupancy in Calcutta hotel? I'm not able to...
 - **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
 - It means that all the rooms are occupied on all days. 100% occupancy means all days and the hotel is full all the time.
 - **Mr. Malav – Participant:**
 - But if I'm going to your website...
 - **Moderator:**
 - Sorry to interrupt in between, Malav I'd request you to return the queue again for more questions. Thank you. Thank you. A reminder to all the participants, you may press * and 1 to ask a question.
 - We have the next question from the line of Sumant Kumar from Motilal Oswal Financial Services. Please go ahead.
 - **Mr. Sumant Kumar – Motilal Oswal Financial Services:**
 - Hi, can you talk on the Kolkata market outlook? We have seen a change in the government and this government is aggressive for economic development. We have a good presence in Kolkata market and also in the vicinity. So what's your view on that? And also, outlook for Kolkata market?
 - **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So firstly Sumant, thank you for joining the call. Calcutta has, at the moment, a very limited supply. At the moment it only has 5,101 keys, and roughly over the next five years, very limited supplies coming in. About 1,702 keys are expected in Kolkata over the next five years. So, the outlook for this market and for us because of this limited supply, remains very, very positive.
- The government change which has happened is also very, very positive. It should definitely drive in, firstly, stability. It should drive in definitely more investment into the state, should drive in more projects across West Bengal, both in Calcutta and the surrounding areas as well as in North Bengal. So, the outlook as a result of this is definitely positive. It brings the center and the state sort of together and that should definitely help in propelling investments into West Bengal and alongside that obviously propelling growth in West Bengal on the whole.

- As we have launched our project on EM Bypass - 218 rooms, we have launched the project along with 69 service apartments. And actually, we have launched one of the two blocks and the sales have been very, very encouraging. We launched at Rs. 18,225 to begin with and currently we are selling the apartments close to Rs. 21,000. The second block we plan to launch closer to the festive season and we expect that the rates are going to further go up and they may actually virtually surprise everyone because of this change.
- So, through this sale of service apartments this year alone, we have already had improvement in our cash flow by 11 crores up to April and as I mentioned earlier, we definitely expect on a minimum a 70 crores improvement in our cash flow.
- The market is going to definitely improve as the government stabilizes and all the vacancies in the government of all the ministries are filled and a proper change in the administration is carried out. It looks very, very positive as far as Bengal is concerned in the real estate sector as well as in the hospitality sector is very, very strong and it is the time to invest in Calcutta and it is the time to buy in Calcutta.
- **Mr. Sumant Kumar – Motilal Oswal Financial Services:**
- Thank you so much.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Thanks, Sumant.
- **Moderator:**
- Thank you. We will take the next question from the line of Animesh Jain from Dalal & Broacha. Please go ahead.
- **Mr. Animesh Jain - Dalal & Broacha Stock Broking:**
- Hello. Thank you for the opportunity. So, I want to ask what about our retention policy because we have seen cancellation in March. So, what about our retention policy? How did we retain?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, we have further strengthened our sales and marketing. We are pushing revenues through our constant communication with our 250,000 loyalty members. And we are, of course, aggressively there in the market to capture every part of the business which is available. There has been a little bit of pressure because of the war, in Delhi as well as in Hyderabad but we have fully overcome that and the occupancy level at the moment in both these hotels has once again recovered to be over 90% and we expect that this trend will continue.
- We have consolidated our position. We have re-established contracts with the ministries. We have re-established contracts with the corporates. We are aggressively following more RFPs for both Delhi and Hyderabad where a little bit of impact was felt because of war in the Middle East but the situation has fully stabilized.
- And the good news is that last year because of Operation Sindoor, the quarter was not very strong but now with things stabilizing we expect this quarter to be a good quarter and a stable quarter.
- **Mr. Animesh Jain - Dalal & Broacha Stock Broking:**

- So, my question is can you provide the performance in the Ran Baas Palace and the Lotus Palace about their ARR and their occupancy rate currently?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, this is firstly at the current level, the ARR I can give you for last year. The Ran Baas Palace completed last year with an occupancy ARR of 31,000 plus and an ARR of approximately 20%.
- And at the Chettinad Hotel, the Lotus Palace Chettinad, we had ARR of about 12,000 and an occupancy rate of about 30%.
- Now during the course of this year, of course, we are going to push this out even more. Firstly, both the hotels are stabilizing even more. We have spent a considerable amount of money in PR and communication and in advertising these hotels and getting the positioning right in these two hotels.
- We expected Patiala - the occupancy to go close to about 50% which is going to be significant because that's the kind of occupancy at high ARR the leisure properties attain and that is considered to be very successful. So, we are going to we are expecting that to be reached particularly during the season of October to December.
- This, of course, is an off season but even compared to last year both the hotels are performing well and we expect good growth to come out of these two hotels.
- **Mr. Animesh Jain - Dalal & Broacha Stock Broking:**
- Okay. And one last question is can you provide the Flurys' EBITDA in Q4 and FY 26 both?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- We do not share the segment analysis but Flurys is a profitable business. It has grown by 29% on the top line and we expect the Flurys business to further expand and maintain its growth momentum going forward.
- **Mr. Animesh Jain - Dalal & Broacha Stock Broking:**
- Okay. Thank you.
- **Moderator:**
- Thank you. We will take the next question from the line of Anuj Kashyap from A3 Capital. Please go ahead.
- **Mr. Anuj Kashyap – A3 Capital:**
- Hello. Am I audible?
- **Moderator:**
- Yes, you are audible.
- **Mr. Anuj Kashyap – A3 Capital:**
- Good afternoon, Mr. Dewan. Sir, the last time, I think in the last con call or last to last, you mentioned that you were setting up a central kitchen in Delhi for the locations of Flurys. So right now, sir, don't you think we are lacking in the execution path when it comes to Flurys?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- So, this we definitely said but we have reimagined the business in totality. We have dropped the idea of making a central kitchen at New Delhi. We are going to be outsourcing the manufacturing of the products to a vendor and though that agreement has been signed and we have put the processes into place for standardization of our recipes and for quality control. And we feel that the new model which we have now put into place is definitely going to be helping in Flurys’ faster expansion. The factory itself takes a long time in terms of development and that development period, we will have the advantage of not having that development period. So as a result of that, we should be able to grow faster, reach the markets faster. It's going to help us not only in Delhi, it's going to help us in all markets, all metro markets. So, that is why this year it's not only Delhi focus, it's also going to be a focus in Bangalore. We are going to also have a focus on Pune. And as a result of this, we feel we will be able to grow at a much faster pace.
- **Mr. Anuj Kashyap – A3 Capital:**
- Much appreciated, sir.
- What is the rationale behind this, whether it is asset-light model or whether it is margin-critical?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- This is the model which is getting followed at the moment. It is more cost-effective and more than being cost-effective, you are able to rapidly roll out. You don't have to spend about 20 to 30 crores and then wait for a return on that investment. So, this is asset-light, asset-light on the store level. It is going to be asset-light on the production level. So as a result of this, this is a better model and we feel that the returns are going to be definitely better as a result of this and obviously, as I mentioned, faster growth.
- **Mr. Anuj Kashyap – A3 Capital:**
- Yes, and sir, just like I have an apprehension that whether we will be able to, like Flurys is known for its – I don't want to state, we need not to state that for what Flurys is known. So, do you think we will be able to maintain that differential from the market?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Firstly, the recipes and the craftsmanship at Flurys is fully preserved and we are going to be using those preserved and unique recipes which Flurys stands for to maintain the quality of our product. We have put in each of the stations where we are going to follow this model, there are going to be checks and balances in regard to quality and in terms of the product, in terms of the standardization of the recipe. So, the quality inspectors or the quality chefs are going to be in position at this production facility and they will ensure that the quality which comes out is as per the Flurys’ standard and it meets or exceeds actually customer expectation.
- **Mr. Anuj Kashyap – A3 Capital:**
- Thank you, sir. Best of luck for the future endeavours. Thank you, sir.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Thank you, Anuj.
- **Moderator:**
- Thank you. We will take the next question from the line of Jaideep Taparia from Haitong Securities. Please go ahead.
- **Mr. Jaideep Taparia – Haitong Securities:**

- Hello. Am I audible?
- **Moderator:**
- Yes, you are audible.
- **Mr. Jaideep Taparria – Haitong Securities:**
- Thank you for the opportunity, sir. Sir, my question is regarding the ARR which you mentioned that it will be a prime focus and specifically for the Kolkata market. So, the occupancy currently is almost 100%. So, how much like headroom do you see like increase in ARR which we can expect in the coming few years? Because the occupancy is almost 100% and Calcutta as a market has – it is very difficult to command the premium which you can in New Delhi or Hyderabad market.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Firstly, things are changing in Calcutta with the change in government. And then this hotel is very unique. Considering that it has only 149 rooms, it has in the central business district the T-RevPAR which is the total RevPAR per available room which is close to Rs. 24,000 which is the highest in the business district. It exceeds all the major luxury brands in the central business district and it is way ahead of some of the top brands which are currently in the central business district.
- Because it does 100% occupancy and because it also has, it is not only that it has the highest occupancy in the central business district irrespective of the fact that it operates in the upper upscale segment. It is the market leader in RevPAR and it is very close to other top hotels, luxury hotels in this business district.
- The gain in this hotel as the demand supply mismatch further continues, this hotel is automatically going to gain in terms of the ARR.
- It is also going to gain in terms of the banqueting business. It is very, very strong in its food and beverage business and particularly in the nightlife and entertainment business where its beverage revenue is actually higher than its room revenue in most of the months. So, as a result of this we expect that through a much stronger banquet performance and a much stronger restaurant and bar performance, it will continue to outperform the market.
- There has been no let-up in this over the last 10 years and there is no reason that this hotel will not grow as it moves forward. A lot of changes are also happening at this hotel. The plan is to refurbish and redo 20 rooms and raise the level of the product quality, and again through the improvement in product quality, take the ARR's up.
- We have over the last year refurbished one of our bars and we are also engaging with specialist companies to improve our offerings at the bar. We offer, of course, the best entertainment in the city but we also now are looking at improving the product offering in terms of cocktails and in terms of food offering at these bars. With this plan and obviously more control over the social media, in fact the hotel has the best control over the social media whether through Facebook or Instagram or YouTube channels.
- It has the best control over the social media channels and with further push in those channels and with further push on entertainment, we expect to retain our leadership in the market.
- **Mr. Jaideep Taparria – Haitong Securities:**
- Thank you very much.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- Thank you. Thank you, Jaideep.
- **Moderator:**
- Thank you. We will take the next question from the line of Hari Kumar, an individual investor. Please go ahead.
- **Mr. Hari Kumar – Individual Investor:**
- Thank you for the opportunity, sir. Am I audible?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Yes, Mr. Kumar.
- **Mr. Hari Kumar – Individual Investor:**
- Yes, I have two questions, sir. One regarding the capital intensive work we are going for the next two to three years. How do we plan to keep the interest costs under control, sir?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Mr. Khosla, our CFO will take you through this question.
- **Mr. Atul Khosla – Senior VP and CFO, Apeejay Surrendra Park Hotels Ltd:**
- The interest cost at present is 8.35%, which is the MCLR of the bank. So, it is expected to remain under that level only. One is that. So, interest costs are under control.
- In terms of capital requirement, we have earlier also guided that we have approximately about five projects of Pune, Mumbai, Vizag, EM Bypass and Jaipur. These are totalling to 950 rooms with approx. 1.2 crore investment per room, which is about Rs. 1100 crores, out of which we reduced the EM Bypass. We expect a contribution of 350 crores from EM Bypass, out of which 70 crores is expected this year only. And in addition, we have put an acquisition/project cost of Zillion and THALI, which comes to about 330 crores and normal capex is about 40 crores per annum and Flurys is about 30 to 40 crores per annum, which is totalling to 400 crores. So, there is a 1500 crores demand, which is being funded mostly through internal accruals, even if I take 250 crores as an EBITDA projection for five years. So, we do not have too high fund requirement.
- Secondly, in addition, we also have cash and cash equivalent balance of about 80 crores in the books, but we do keep line of credit. And this year also, the increase in interest cost of 7 crores has come mainly from the acquisition financing of Zillion. Because it was acquisition finance, it is charged off to the books in P&L but for the project financing, interest will be treated as IDC and will not be charged to P&L and P&L will remain under control.
- **Mr. Hari Kumar – Individual Investor:**
- Okay, thank you, sir.
- Sir, my second question is regarding, given the opportunity in Kolkata, do you have further landbanks to develop more hotels, sir?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

- So, we are currently having 400 rooms at the moment in Kolkata, which is a very high inventory. We plan, which is both on the ownership side as well as on the asset-light side, we plan to add as in the EM bypass Kolkata project, we plan to add 218 keys on the ownership side of the model.
- Alongside this, we are looking at, we have signed an agreement with Luxmi Tea for another asset-light model under the Park brand in Siliguri. This is in one of their best gardens, so within West Bengal, you can expect that the present 400 rooms, which we have in combination, 400 rooms in West Bengal are going to be doubled over the next four years. So, it is a very strong presence in Bengal, and as we go along over the next four years, it will continue to be strong.
- **Mr. Hari Kumar – Individual Investor:**
- Sir, lastly, sir, like our average room size, like per property, approximately 100, like how do we, economics, of course, when compared to the bigger teams where we are having 300 rooms per hotel per property, sir?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, the new hotels, which we are, obviously leaving the acquisition aside in Mumbai, but the new hotels which we are opening in Calcutta, we will have 200 rooms, 218 rooms to be precise. In Pune, where the planning is going on, we will be having 250 plus rooms. In Navi Mumbai, where the project is, the additional FSI available of 3,80,000 square feet, we now propose to have 250 rooms. So, there are, the change is there. We are entering into large formats, 200 plus room formats as we move forward.
- More than that, it is also premiumization of the product itself. So, these are going to be super luxury hotels, whether in Pune, Vishakhapatnam, Mumbai, Navi Mumbai. So, all these new products, hotels, which are going to come up, or new blocks, which may come up in these locations, they are going to be leading to a more luxury positioning.
- And with that, it will lead to higher ARR and higher performance. The market is strong, not only in the upper upscale segment, it is also very, very strong in the luxury segment. So, we will be, as we are going forward, we will be moving towards premiumization of the product, and that will drive our revenues going forward. So, it looks very, very strong in terms of going forward.
- So, the other most important thing in, you said that our average is about 100 rooms, but alongside these 100 rooms, we have very successful restaurants, and more than restaurants, we have very, very successful nightclubs and bars. So, as a result of that, you will see that, though it's not being tracked at an industry level, the T-RevPAR, which is the total revenue per room for Park Hotels, is higher than that of the competitors.
- The case in point in Calcutta, it is in the central business district, where some of the very key luxury players are there, the T-RevPAR of the hotel is much higher than that of the luxury hotels. So, it's not only just rooms, our F&B is very, very popular. We drive our revenues through rooms, as well as through F&B. We have 43% contribution, which is also among the highest in the cities in which we operate in the industry.
- **Mr. Hari Kumar – Individual Investor:**
- Thank you once again for the opportunity.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Thank you, Mr. Hari Kumar.
- **Moderator:**
- Thank you. We will take the next question from the line of Jinesh Joshi, from PL Capital. Please go ahead.

- **Mr. Jinesh Joshi – PL Capital:**
- Sir, I need two clarifications. On slide 11, we have stated that we plan to come up with a new owned hotel in FY27. I believe it is Malabar House, but I guess we have also completed the acquisition of Lake Vembanad in December '25. So, the question is, are we not planning to launch the same hotel in FY27? So, that is one.
- And secondly, also in terms of timelines, in the last quarter PPT, we had stated that Vizag Hotel is about to begin operations in early 2029. And now the timeline has been rescheduled to early 2030. So, any reason for the delay, given this is just an extension to the existing hotel?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, let me see the page you are referring to, you said Slide 11.
- **Mr. Jinesh Joshi – PL Capital:**
- Yes.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- You are referring to Malabar House?
- **Mr. Jinesh Joshi – PL Capital:**
- Right. The development update slide. Yes, this slide.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, this slide clearly shows that we will be moving from 2677 to 3149. So, Malabar House, the process of acquisition is currently... the agreement has been signed. It was signed in December-January last year, in December. But the process is still going on because it has an external payment for which bank permission has been sought. It has been bought through from a foreigner. So, that permission is taking a little bit of time. But now that permission has been granted. So, the final part of the documentation is now going on. And we expect this acquisition to be actually concluded within the month of June. But to be on the safe side, I am giving a little bit of room. This has been put into Quarter 2. But this agreement is... and this deal is the acquisition should close within the month of June itself. Work is going on and this should add.
- Now, this hotel also, like our hotel in Patiala, Patiala is a Relais and Chateaux hotel, which is a mark of quality. And more than that, it's also very important for the positioning. The Malabar House is a Relais and Chateaux hotel which is a mark of quality and more than that it is also very important for the positioning. The Malabar House is a Relais and Chateaux hotel and it produces a very high ARR. It is popular both with the... it's actually more popular with foreign travellers. And it should help us in driving our ARRs as we sort of go forward.
- Could you repeat the second question you had?
- **Mr. Jinesh Joshi – PL Capital:**
- Vizag Hotel timeline?
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- Vizag timelines - we are always working closely with the government, you know, to achieve faster permissions. Unfortunately, there has been a slight delay. The permissions are not largely in our control. In our hotel in Calcutta, we were able to get the permissions very fast from the time we applied to the time of

the start of the project. There has been a little bit of delay in getting the environmental clearance. But the environmental clearance, which is the most difficult permission in Vishakhapatnam, it got a little delayed, but now it is in place. And the rest of the permissions are virtually on the way. But still, because of the delay in permissions, this project seems to be slightly pushed back.

– But our teams are going to make a full effort to actually get this hotel up and running faster. The good news why it can come up faster is because it does not have a basement. It is going to be starting straight on the ground level itself, the construction. So as a result of this, there is a good chance that we will be able to do this project faster. But at the moment, considering the time it takes from the time of starting the project to the end of the project, which is roughly a three-and-a-half to four-year timeline for any hotel company, we have given that timeline to open in 2030.

– But be assured that from our side, all efforts will be made to finish all projects, whichever we are undertaking, on time or ahead of time.

– **Mr. Jinesh Joshi – PL Capital:**

– Sure. One last book keeping question from my side. Can you share the ARR and occupancy of our leased hotels as of FY26?

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

– Okay. So as far as the Patiala Hotel is concerned, it is on a 50-year lease. I did tell the other person who asked the question, it is in the range 31,000.

– **Mr. Jinesh Joshi – PL Capital:**

– Sorry sir, I am interrupting. For the 336 keys that we have on the leased side, can you just give me a blended ARR and occupancy number for FY26? I mean, that will be really helpful.

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

– Okay, I got it. I do not have that number calculated. So, what I will do, Mr. Joshi, I can give you the individual numbers which are at the back of my hand. But if you need that, I will calculate and we will email it to you.

– **Mr. Jinesh Joshi – PL Capital:**

– Sure, sir. No problem.

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

– Yeah, but I can still tell you what the individual numbers are.

– **Mr. Jinesh Joshi – PL Capital:**

– Sure, sir. Please, please.

– **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**

– Atul will just read out these numbers for you.

– So, 31,000, as we said is in Patiala. 12,000 is what we said is in the Lotus Palace, Chettinad.

– **Mr. Atul Khosla – Senior VP & CFO, Apeejay Surrendra Park Hotels Ltd:**

- And in case of Zone Connect, Delhi Saket, it is about 7,000. We also have Chettinad, which is 12,000. And Purity, which is in
- **Moderator:**
- Mr. Joshi?
- **Mr. Jinesh Joshi – PL Capital:**
- I got that, yeah, yeah. Thank you.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, Mr. Joshi, we will just put these numbers together and we will email it to you. The numbers are not available on a consolidated basis. The overall consolidated numbers are there. But lease is all clubbed together in the MIS, which we record. So, the numbers which we have given to you in the presentation are the combined numbers of all the properties. But we will email it to you.
- **Mr. Jinesh Joshi – PL Capital:**
- Sure, sir. Thank you so much.
- **Moderator:**
- Thank you very much. Ladies and gentlemen, we will take that as a last question. I now hand the conference back to the management for the closing comments. Thank you and over to you, sir.
- **Mr. Vijay Dewan - Managing Director, Apeejay Surrendra Park Hotels Ltd:**
- So, thank you, everyone. I would like to thank all of you for joining the call today. And I hope we are able to address all your queries.
- If you have any further questions, you can reach out to our newly appointed IR managers at Valorem Advisors.
- Thank you once again for participating in this call. And let me reassure you that we are on a path of growth and success. And whatever we have committed, we will be working towards it to achieve as we move forward.
- **Moderator:**
- Thank you, members of the management. On behalf of PL Capital, we conclude this conference. Thank you all for joining with us today. And you may now disconnect your lines. Thank you.