

The Park aims to double rooms in 5 years

SAMBIT SAHA

Calcutta: Apeejay Surrendra Park Hotels Ltd, which owns and operates The Park in Calcutta, has outlined an aggressive expansion plan that entails the doubling of hotel rooms in the next 4-5 years.

The company, which is awaiting approval from market regulator Sebi for a maiden public offer, plans to reach the goal by building and expanding owned hotels, and taking up properties on lease and management contracts.

The Park presently has 27 hotels spread across 18 locations, having 2,101 keys. The company will add about 2,250 rooms in the next five years, including 630 rooms on owned land, under six brands.

The biggest of them all will come up in Calcutta's E.M. Bypass where a 250-key luxury hotel will be built under the Park brand. Construction is going to start next year and the property is expected to be ready by 2028-29.

A joint development agree-

ment has been reached between Apeejay and Ambuja Neotia group for the project whereby the latter will also develop and market 100-key service apartments.

Vijay Dewan, MD of Apeejay Surrendra Park Hotels Ltd, said the hospitality industry would continue to do well given the supply-demand mismatch projected. While demand is forecasted to grow 10.5 per cent, supply will go up only 7.1 per cent in the next five years, Dewan noted.

"Indians are travelling like never before, eating out like never before. Hospitality up-cycle has just started and the best is still to come," Dewan insisted in an exclusive interaction with The Telegraph.

The road map

Apart from Calcutta, The Park is in the process of developing a 200-key hotel in Pune which will be operational by 2026-27. The company will also add 100 rooms to an existing Visakhapatnam hotel and 80 keys to the



The Park Street address

Navi Mumbai property.

The combined investment in developing the rooms in owned properties is expected to be about Rs 630 crore (Rs 1 crore per room).

Dewan said the proposed IPO would strengthen the balance sheet of the company and propel this phase of growth. The offer includes a fresh issue of Rs 650 crore and an offer for sale of about Rs 400 crore. "We will become a net cash-positive company after the IPO," Dewan informed.

The company has 831 keys under the managed cat-

egory. It plans to ramp up by about 1,484 keys and take it to 2,314 keys in this segment. By March 2024 itself, several managed properties in Mussoorie, Indore, Pune, Manali, Lansdowne, and Udaipur would be operational. In the next fiscal, The Park will operationalise two marquee developments under the leased category. A 33-room palace hotel in Patiala and a 24-room palace hotel in Chettinad, near Chennai under The Park brand.

Bengal

Apeejay Surrendra Park Ho-

tels, owned by the Paul family, has a significant presence in Bengal.

The Calcutta-headquartered company plans to operationalise a 65-key hotel and 1000-pax convention centre in Digha by January. The Park will manage the property, which is owned by the Bengal government.

Moreover, it is also in the process of developing nine motels in the state, again in partnership with the Bengal government. The model involves a few rooms, designed for short stays, in each property located on highways, and food & beverage service by Flury's.

These plans are over and above existing properties the company has, including The Park Hotel on Park Street, Zone by the Park in Rajarhat and Denmark Tavern in Serampore.

Dewan applauded the initiative of the Bengal government to accord industry status to tourism. "It will lead to a reduction in electricity tar-

iff, state taxes and increased FAR (buildable area on a given piece of land). It is a very positive step ahead of the Bengal Global Business Summit slated this week," the MD noted.

Flury's

The iconic confectionery under the Apeejay Group has also an aggressive pan-India expansion plan, Dewan informed but stopped short of sharing numbers in the run-up to the IPO.

The chain has 70 outlets, 63 in Bengal and seven in Mumbai. There is a plan to expand the reach over the next 2-3 years.

The cake/bakery segment is growing at a faster pace than the overall food business. It is about Rs 11,000 crore at present and growing by 18-20 per cent to reach Rs 28,000 crore in four-five years, an industry estimate suggests.

The company intends to use idle space in hotels to set up commissaries and service the area around it through Flury's outlets.