APEEJAY SURRENDRA PARK HOTELS

Date: November 24, 2026

Listing Manager, **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400051, India **Symbol:** PARKHOTELS **ISIN No.:** INE988S01028	**BSE Limited** **Corporate Relationship Department** 1st Floor, New Trading Ring Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001, India **Scrip Code:** 544111 **ISIN No.:** INE988S01028

Subject: Transcript of the conference call held with Investors and Analysts on the un-audited financial results of the Company for the second quarter (Q2) and six months ended on September 30, 2026

Respected Sir/Ma'am,

Pursuant to Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed the transcript of the conference call held with the Investors and Analysts on Tuesday, November 17, 2026, with respect to the un-audited financial results of the Company for the second quarter (Q2) and six months ended on September 30, 2026.

The transcript of the call is also uploaded on the Company's website i.e. https://www.theparkhotels.com/investor-relations/financial-information.html.

This is for your information and records.

Thanking you.

Yours sincerely,
For **Apeejay Surrendra Park Hotels Limited**

SHALINI KESHAN
Digitally signed by SHALINI KESHAN
Date: 2026.11.24 21:59:09 +05'30'

Shalini Keshan
(Company Secretary and Compliance Officer)
Membership No.: ACS-014897

Encl: As above

17 Park Street,
Kolkata, West Bengal,
India, 700 016
t +91 33 2249 9000
e tpcl@theparkhotels.com
w theparkhotels.com

Apeejay Surrendra Park Hotels Limited
Registered Office
17 Park Street,
Kolkata, West Bengal,
India, 700 016
t +91 33 2249 9000
e investorrelations@asphl.in
w theparkhotels.com
CIN No. L85110WB1987PLC222139

“Apeejay Surrendra Park Hotels Limited
Q2 & H1 FY27 Earnings Conference Call”
November 17, 2026

MANAGEMENT: **MS. PRIYA PAUL – CHAIRMAN AND EXECUTIVE DIRECTOR – APEEJAY SURRENDRA PARK HOTELS LIMITED**
MR. VIJAY DEWAN – MANAGING DIRECTOR – APEEJAY SURRENDRA PARK HOTELS LIMITED
MR. MANISH BHAGAT – CHIEF FINANCIAL OFFICER – APEEJAY SURRENDRA PARK HOTELS LIMITED
MR. ATUL KHOSLA – SENIOR VICE PRESIDENT – APEEJAY SURRENDRA PARK HOTELS LIMITED
VALOREM ADVISORS – INVESTOR RELATIONS – APEEJAY SURRENDRA PARK HOTELS LIMITED

MODERATOR: **MS. RUSHALI SADANI – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and H1 FY27 Earnings Conference Call of Apeejay Surrendra Park Hotels hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Rushali Sadani from Arihant Capital Markets Limited. Thank you, and over to you.

Rushali Sadani: Thank you. Good evening, everyone. Welcome you all to Apeejay Surrendra Park Hotels Limited for Q2 H1 FY27 Earnings Con Call. On behalf of Arihant Capital Limited, I would like to thank the management of Apeejay Surrendra Park Hotels Limited for giving us this opportunity to host this call. Today from the management side, we have Ms. Priya Paul, Chairman and Executive Director; Mr. Vijay Dewan, Managing Director; Mr. Manish Bhagat, Chief Financial Officer.

Without any further delay, I would like to hand over the call to Mr. Vijay Dewan for the opening remarks.

Vijay Dewan:: Good evening, everyone. Thank you for joining us today to discuss our earnings of the second quarter and first half of financial year '27. On behalf of the Board and management team at Apeejay Surrendra Park Hotels, I would like to extend a warm welcome to all participants on this call.

The Park Hotels have demonstrated how differentiated hospitality can deliver India's and possibly world's leading occupancy, strong RevPAR, double-digit EBITDA growth and an absolute clear runway for expansion. Guided by our vision of leadership through differentiation and powered by purpose, people and performance, we are different in how we reach and the value we create for our teams, guests and our shareholders.

Our performance is our promise to deliver industry-leading growth in our segment of business, excellence in execution and responsible governance. At the macro level, India remains the fastest-growing major economy in the world with GDP accelerating to 7.7% in '25-'26. Q1 also saw the economy grow at 7.8%. The government has put in a capital outlay of INR12.2 lakh crores for the year '26-'27, and this will add further momentum to infrastructure growth as well as travel and tourism.

Demand supply mismatch continues. And as per the latest ICRA report, demand is expected to grow by 7% to 9% against supply growth of 5% to 6% during financial year '26- '27. Though there is some moderation in domestic and international air travel in H1, we expect strong growth as the geopolitical tensions have eased and energy prices have started coming down. H2 will see a strong pickup on account of MICE and wedding segment as well as winter leisure travel as well as faith and festival tourism.

In Apeejay Surrendra Park Hotels, our portfolio across The Park, the Park Collection, Zone by The Park and Zone Connect by The Park allows us to serve different customer segments and markets. We are focused on expanding selectively growing through managed and other asset-light formats and improving performance across our existing hotels. We maintained positive momentum during the first half of FY27.

In Q2, operating revenue grew 7% year-on-year to INR180 crores. Operating EBITDA increased 11% to~ INR54 crores with an operating margin improving by 100 basis points to 30.27%. PAT was ~INR15 crores compared with INR16 crores in Q2 of FY26.

For H1 '27, operating revenue grew 7% year-on-year to INR347 crores. Operating EBITDA crossed INR100 crores for the first time in our company and in the first time in our history, registering 7% year-on-year growth. PAT stood at INR26 crores compared to INR30 crores in H1 FY26, primarily due to higher depreciation and interest costs. Across our own hotels, occupancy was 93%. ARR was INR7,774 and RevPAR INR7,219. We also continue to maintain our leadership in RevPAR in the upper upscale segment.

Food and beverage remains an important part of our hospitality ecosystem. Our restaurants, nightclubs and bars complement the hotel business and give us additional opportunities to engage with guests and local customers. During the quarter, Shack at The Park Visakhapatnam was named the Best Restaurant of the Year for South India by FHRAI. Italia at The Park Bangalore received the Bronze Award for its wine program.

Aqua and Epicenter at The Park Indore and Tyde at the Park New Delhi also received recognition for their dining experiences. Ran Baas The Palace in Patiala received the Tatler Best New Hotel Awards 2026 and was included among the Tatler Best 20 hotels in India. The hotel has also received and retained its One MICHELIN Key status for the year '26-'27. The hotel is well positioned for a strong performance in H2.

Flurys has grown to 112 outlets across cafes, kiosks and tea rooms. The Green Park outlet marks its entry into New Delhi. Flurys Kolkata was named the Best Bakery and Patisserie at the EazyDiner Foodie Awards this year. The brand's different formats allow us to serve customers across a range of occasions, and we will continue to expand in urban markets through our asset-light model.

Flurys next opens in Greater Kailash 2 in New Delhi. Overall, Flurys will add another 28 outlets in this financial year and enter new markets of Jaipur, Lucknow and Bangalore. We expect Flurys revenues to cross ~INR100 crores in FY, '27, which will be a significant achievement.

We are also pleased to announce the opening of Zone Connect by The Park at Mathura, marking the brands entry into Brij Bhoomi, a destination of deep spiritual and cultural significance. The hotel offers 42 rooms across 3 categories, along with Cafe Cs for all-day dining restaurant and indoor event space for up to 150 guests.

Its location provides convenient access to the Sri Krishna Janmabhoomi, Vrindavan's temples and other key attractions across Mathura. This launch strengthens our presence in India's Pilgrimage and cultural destinations alongside our operational hotels in Katra and Prayagraj and planned openings in Vrindavan, Ujjain and Ayodhya.

We look forward to welcoming pilgrims and other travelers with a contemporary hospitality experience backed by our teams. We also launched Tyde, our all-day dining restaurant at The Park near Delhi, designed as a dining and social destination throughout the day. It brings together breakfast, business lunches, relaxed afternoons and lively evening experiences under one setting. The menu features artisanal coffee, wood-fired pizzas, Asian-inspired flavors, small plates and an elevated a la carte offering.

At the end of H1 FY27, today, our portfolio comprises of 43 hotels and 2,729 keys. Our road map is to reach 100 hotels and 7,500 keys by FY31, which is over a period of 6 years, with managed properties forming a larger share of the portfolio. This asset-light approach will help us expand across markets while managing capital requirements and improving the efficiency of our growth.

Over the next 6 years, we plan to add 57 hotels totaling to 4,771 keys. And in FY, '27, the addition is 7 hotels with 321 keys and in FY, '28, 11 hotels with 558 keys across locations, including Manali, Ayodhya, Dehradun, Indore and Gangtok. We already have a hotel in Gangtok, so this will be a second hotel.

Our mixed-use development project at EM Bypass comprising of 69 service apartments has received a terrific response. Near 100% of the launched inventory is sold at an average price of INR19,500 per square foot. We expect the price to go up by at least 15% as we launch Phase 2 in February, March '27. The project construction for both the residential and hotel project is progressing well.. The project is absolutely on target for our 2030 opening.

We expect to close INR325 crores as part of our share from the sale of apartments over the next 3 years. Already INR38.5 crores has been received. This will further strengthen our already strong balance sheet. For information, over 400 keys of our own are now under development, ~220 at Kolkata, ~80 at Juhu Mumbai and 100 at Vizag.

Close to 90% stake has been acquired at Zillion Hotels, Juhu Mumbai during the course of the year. And for this hotel, fire NOC has been received and BMC NOC is expected anytime soon. Our teams are on site to commence work. Project should be completed by the end of next year. We also completed the acquisition of Purity at Vembanad Lake, expanding our presence into high-potential tourism destination of Kerala.

In Visakhapatnam, we have recently signed an MoU with the government of Andhra Pradesh for a new development, which is expected to receive subsidies in the range of INR10 crores to INR20 crores over the next 5 years. In Pune, the available FSI for a land, which has increased from 2.5 lakh square foot to square feet to 6.72 lakh square feet, providing scope of another

mixed-use project with a hotel and residential or commercial development and enhancing the site's long-term potential.

Operational efficiency and technology remain important to us as we expand. SAP, S/4HANA Finance and Material Management modules are now live. These systems have strengthened financial controls and reporting will help improve material visibility and support more consistent operating processes across a larger portfolio.

Our focus is on disciplined execution, expanding in high potential markets, strengthening our brands and improving returns on capital. We remain committed to delivering a distinctive guest experience while building the scale and operating capabilities required for the next phase of our growth.

At Apeejay Surrendra Park Hotels, our journey continues to be guided by the principle of growth, governance and green with purpose, people and performance shaping how we put our strategy into action. On the green pillar this year, we have achieved 100% electric guest mobility across our own hotels with a fleet of 35 cars.

4 of our hotels, as you know, the owned hotels, as you know, are now IGBC green certified, and we expect the remaining hotels in the green category by the end of this financial year. We have achieved elimination of 20 lakh single-use plastic items and 14.8 lakh PET bottles, and we remain committed to water neutrality by 2030 and energy neutrality by 2030.

We have built a business that is broader, more diversified and more capital efficient than ever before. We have a strong core hospitality business, a growing F&B and retail platform through Flurys, a differentiated portfolio of brands and an expanding asset-light network and new ways of unlocking value from our existing assets.

As we move forward, our focus will be to add the right number of hotels in the high-growth and high potential markets of the country and achieve a pan-India presence for Flurys. Our vision is to be both a people first and an AI-first organization, combining the power of our people with the potential of technology to create unique, immersive and memorable experiences for our customers.

We remain committed to strong and sustained growth in the years ahead. In the end, on behalf of my team across the organization, I would like to thank you and for your continued support and trust and confidence in our journey. Your support inspires us to aim higher and create enduring value.

With this, I would like to hand over to the moderator to open the floor for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Archana Gude from IDBI Capital.

Archana Gude: I have 4 questions. Firstly, on the management fees. Sir, if you can help us with the number for H1 FY27 and how we should look at its growth considering we have a strong split of managed hotels in near-term?

Vijay Dewan: So as far as the management fee is concerned, currently, it remains at 2%. But this portfolio of managed hotels, as I have described that currently, we have overall 1,278 keys. This is actually going to rise to 3,627 keys purely on the management side of the business.

So this in terms of the hotels is a 3x growth over the next 6 years. So over the next 3 years, I expect the management income coming out of this business, this vertical to actually rise to 4% from 2%.

Archana Gude: So if you can quantify in the absolute number is 2% for H1?

Vijay Dewan: INR7 crores.

Archana Gude: Okay. Sure. And sir, in the opening remarks, you spoke about the MoU with the government of Andhra Pradesh for the new Vizag development. So if you can guide us more on the number for capex, et cetera, would be helpful.

Vijay Dewan: So currently, in Visakhapatnam, as you know, we have 65 rooms. This was our second hotel. We started in Calcutta in 1967, sorry, and our second hotel in Visakhapatnam opened in 1968. This 65-hotel room in Andhra Pradesh at Visakhapatnam is Andhra Pradesh's first 5-star hotel.

We have now decided to do another new hotel at the same venue, which will be a 100-room hotel, ultra-luxury hotel. All rooms are actually going to be facing the beach, and they will have balconies and with world-class facilities. This hotel will be completed at a cost of INR150 crores.

Archana Gude: And any time lines for that?

Vijay Dewan: Time lines remain the same. The time line is that Visakhapatnam hotels, the construction is about to start. All the permissions are in place. In fact, GVMC, which was the last permission for starting the work. We have paid the GVMC fees, and we are about to start work in the next 7 to 10 days. The expected completion date remains the same. It will open in 2030 sometime around this time. That is in the second half of 2030, the hotel should open.

What is very significant about the MoU, which we have signed with the government is that we should be entitled to because of this agreement, a subsidy for building this hotel. This subsidy could be anywhere, as I mentioned, in the range of INR10 crores to INR20 crores or even more. So there is a capital subsidy, which has a limit of INR10 crores for all hotels, which are over INR100 crores.

And then there is a 5-year - to 7-year SGST refund which the government will give to the cost of the project. So all this will result in a saving of INR10 crores to INR20 crores or even more over the 5 years of the spread of the project. So it's a very good understanding, which has been

achieved, and we are really thankful to the government of Andhra Pradesh for their visionary and dynamic approach.

Archana Gude: Sure, sir. Sir, coming to Flurys, we added 6 Flurys in H1, and we have guided this number to touch 140 by the end of this year. So that looks slightly on a slightly aggressive guidance. Your thoughts on this would be helpful, sir.

Vijay Dewan: It is a very aggressive target, but we are confident. As I mentioned in the last earnings call, we have a new team now, which is being headed by a new Chief Operating Officer. The good thing about Flurys expansion is that, firstly, it has entered New Delhi through Green Park. And the second outlet will open in, again in Delhi, in Greater Kailash 2, all prime markets of New Delhi.

The team has already signed close to 20 outlets. So construction and work is going to happen on all these and the new signings. And we still remain very confident to deliver 140 outlets by the end of financial year. The team is new. It is young. It's full of fire and passion, and we are confident that they will deliver.

Archana Gude: Right. So you said that 20 -- for the 20 projects, the signings are already in place, right, sir? So maybe more to be added over next...

Vijay Dewan: They will get added. We are going to be, as I mentioned, it's not only that Flurys is expanding in Delhi. Flurys is about to enter Jaipur, that is in Rajasthan. It's going to enter Lucknow. It's also going to enter Bangalore during the course of this financial year.

So work is already going on all these plus new outlets are going to further open in Bengal. New outlets are also being planned and under execution in Hyderabad, Visakhapatnam, Bhubaneshwar and the rest of Bengal. And there are 3 outlets which are being planned in Assam as well.

Archana Gude: Sure, sir. That is pretty heartening to listen. And lastly, sir, if you can help us for this capex for H2 FY27 and FY28. That's my last question, sir.

Vijay Dewan: So Mr. Khosla is our Senior Vice President. It was mentioned that there are 3 people on the call. In fact, there are 4 people on the call. So Mr. Khosla will take this question of capex for Q2 -- H2, sorry.

Atul Khosla: So H2, we will have a capex of around INR100 crores, which will include the capex for Juhu hotel and the starting capex for the Vizag. In addition, there will be inflow from EM Bypass from booking / sale of apartments, which will finance the EM Bypass project and other capex. About INR15 crores to INR20 crores capex is for Flurys and INR10 crores is into the operation capex for the balance H2.

Archana Gude: And sir, for FY28, any guidance on that?

Atul Khosla: FY28 for the Vizag and for Juhu property and operational capex, we will have around INR150 crores to INR200 crores overall capex.

Archana Gude: Sure. And sir, Flurys will also need, right? We plan to add 40 outlets, 40, 50 outlets. So that should be another roughly INR30 crores, INR40 crores?

Atul Khosla: Yes, that's what we have said. Flurys will remain INR30 crores to INR40 crores depending on the number of outlets being open and the common space.

Moderator: Next question is from the line of Yash Solani from Kadam Family Office

Yash Solani: Sir, my question was regarding the earnings quality. So the operating EBITDA grew by 11% year-on-year and PAT fell by 9.9%. Depreciation also rose and interest got more than doubled. So what is the run rate for depreciation and interest in the second half of this FY and the next FY? And like when does EBITDA growth start outpacing them?

Vijay Dewan: So firstly, as we have pointed out and you also said, the EBITDA growth has been 11% Y-o-Y. The good news is that on a quarter-to-quarter basis, the EBITDA growth is 16%, which is quite remarkable. So from quarter 1 to quarter 2, we have -- the EBITDA growth now is 16% at INR54 crores. This is at the operating level.

As we move into Q3 and Q4, which the hotel business, as you know, is tilted towards quarter 3 and quarter 4, we expect these numbers to further improve, and they should be able to offset the increase in depreciation and interest. Increase in interest is largely on account of what has happened because of the acquisition. INR188 crores has been paid for ~90% stake at the moment towards the acquisition of Zillion.

We have also paid INR21-odd crores towards the acquisition of Purity at Vembanad Lake in Kerala. So these acquisitions, along with our existing projects has actually increased the loan by from INR150 crores to INR300 crores at the gross level. What is also very important is that we have mutual funds investments of about INR100 crores.

So this actually, the gross debt to EBITDA at the moment is 0.23 to 1 and net debt to equities is 0.1. So this is where we are at the moment, but interest has increased largely because of the increase in loan, because of the 2 acquisitions we have done over the past, you can say, 12 months from H1 of last year to H1 of this year.

Depreciation increase is also happening because of new properties which are being added, which were added in the previous year, which is Patiala and the Chettinad Palace as well as ROU on account, right of use on account of increase in Flurys outlets between H1 of last year to H2 -- H1 of this year. These are the profit, the PAT as well as the PBT are expected to improve further as we enter the season.

Moderator: Next question is from the line of Kaushik Poddar from KB Capital Markets.

Kaushik Poddar: Yes. On the Flurys front, can you give a sense of the kind of margin you are looking -- you are at present at? And what is your target margin, say, by FY30?

Vijay Dewan: So the Q2 performance of Flurys has been very encouraging. We have had a margin of 8%. Again, this is -- this business is also higher in Q3 and Q4. So bulk of the business takes place in Q3 and Q4. So at the moment, in H1, we are at INR42 crores, again, with a margin of about 9%. So this is expected to move forward. It should end somewhere in the range of 12% as we move forward into Q3 and Q4.

Bulk of the business of Flurys again takes place in Q3, Q4. Our effort always has been to ensure that Flurys remains a profitable business as we move forward. So the outlets which we open are open with great degree of scrutiny and a great effort is done in doing the surveys correctly to see that we are opening Flurys at the right spots in the cities.

If you -- KB Capital is from Bombay, then all the outlets, which you will see in Mumbai are at the best of the best locations, be it at the airport, be at the BKC Crescenzo building, be at the One World Center and most importantly, Flurys is at The Gateway of India in Colaba. The outlets are selected with great degree of care to ensure that they are high performing and they are profitable. Similarly, we have done in Delhi. Calcutta market, in any case, we control.

But if we were to look at Delhi, first, we opened in NCR in the DLF Mall at Gurgaon. And then we have opened in the High Street at Green Park. Then we opened at Greater Kailash. Again, the selection of the outlets make a big difference in terms of the Flurys expansion plans. And that is why one is the selection of the outlet.

Second is the size of the outlet, is very crucial because a higher size can lead to higher rentals and actually can create a pressure on the bottom line. So we are careful. We study the market with great degree of care. We select the right places, and we ensure the right size to deliver profitability to our investors. It doesn't mean that we do not make mistakes. But if we fail in an outlet, we kill that outlet also very fast.

The good news for Flurys is that same-store growth is continues to be good. In the old stores or same stores, which are more than 1 year old, we are experiencing on an average with all the 112 stores included a growth rate of 9% to 10%. So Flurys is a strong vertical for us, and it is poised for significant growth in the years ahead. So we are very confident to deliver Flurys in the range of 250 to 300 outlets by 2030.

Kaushik Poddar: Yes. See, I happen to be from Kolkata, so I'm aware of Flurys in a big way. And recently, I was in Bombay and I had stayed at Taj, Santa Cruz, and you will have an outlet next to that at the airport, next to Taj, Santa Cruz.

So I didn't see the kind of rush that probably one sees in other outlets of Flurys in Calcutta. So that is my first concern. Is it that are we see, in order to be in a business, any business, one has to do the positioning. Have we got the positioning right in the minds of the consumer? That's my question.

Vijay Dewan: We feel -- no, no. Firstly, Flurys is positioned absolutely correctly in terms of confections, cafe and connections. Second, very important thing you mentioned about the outlet next to the Taj in

Santa Cruz. You would also know at this stage, the airport, which is Terminal 1, large number of airlines at Terminal 1, they have been shifted to the airport at Navi Mumbai. So the traffic as a result of that at the arrival point where this outlet is located next to the Taj Santa Cruz has significantly reduced.

The good news is that this is one of the most beautiful outlets of Flurys in Santa Cruz or in Mumbai, among the most beautiful outlets. And it is with our discussion with the Adani Group, we are going to get very soon a space at the new airport in Navi Mumbai. The little bit of dip or less business you are seeing at the Santa Cruz is largely associated with the shifting of the airlines to the new airport at Navi Mumbai and Panvel.

Kaushik Poddar: Yes. But how is Flurys positioned as opposed to any other QSRs?

Vijay Dewan: So Flurys, as you know, firstly, it's a heritage brand. As you are from Kolkata, you said, so it opened in 1927. The recipes, the craftsmanship and the quality, firstly, is being maintained at Flurys to create the most delectable confections.

Second is that it is offering coffee which is a trend, which is the fastest moving hot beverage and cold beverage at the moment, not only in India, but across the world. So it's confections, it is coffee and it is connection. That is what the positioning is. It's heritage plus the 3 Cs. And our outlets, you are from Calcutta, you are saying that you must have seen that we have opened close to 75 outlets.

Yes, there could be a problem in some of the outlets, but majority of the outlets that do well, whether we have opened the outlet at Purna Das Road or we have opened in South City or we have opened in the new outlet now in Jadavpur or in Salt Lake or the 7 outlets at airport, they are all highly successful outlets. The dip which you are seeing in Santa Cruz is actually beyond our control because the airport has got shifted. The positioning is very clear. It is heritage. It is confections, coffee and connections.

Moderator: Next question is from the line of Sparsh Jain from Solanki Family Office .

Sparsh Jain: I want to ask that what does the quarter 3 looks like so far. Given the October and November ARR, the wedding season and the corporate meetings demand -- upcoming demand, how do you expect the ARR to beat the Q3 of FY26?

Vijay Dewan: This is bound to happen. Firstly, India has a huge demand supply gap. There is demand supply gap in all the cities from where we are operating, particularly in all the metros where we are. So that is itself going to propel ARR growth. Wedding season, as I mentioned, is just about to start.

Out of the 52 weddings, which are in the calendar of weddings for FY '27, 36 weddings are going to take place between now and March with the bulk of the weddings taking place in January, February as well as December. So on the wedding side, it looks very good. The wedding segment in India is increasing at a growth rate of 14.3% on a CAGR basis.

It is the biggest business in India next to groceries and food. Currently, it is at USD125 billion or so and expect it to become actually USD235 billion business. The MICE segment is growing in India at roughly 10% to 13%. And there are a lot of conferences and conventions in H2 on the whole, starting with, obviously, the main conference is the Aero Show in Bangalore.

We have a very strong big conference taking place at both the venues in New Delhi, that is at Yashobhoomi and the Bharat Mandapam, which is the Bharat Mobility and Auto Show. It is going to be the largest auto show ever to be seen in India. Apart from that, there are many other small and large energy show and many other conferences and conventions which are being planned. So the positive side is on the MICE segment. It's very, very positive.

India was not growing in this segment earlier. But now conferences and convention facilities are world-class in most of the cities of India, which is Bombay, Delhi, Hyderabad, Kolkata. So all these places have convention centers. And today, MICE segment is increasing at a very steady pace.

The good news in India is also on faith and spiritual tourism. This business is showing a remarkably strong growth. It's a USD65 billion business. It is also growing at the rate of about 10% to 12% and is expected to cross USD101 billion to USD133 billion business over the next 5 years. So it is also showing a very strong trend going forward.

Festival season itself is very strong, and it is something really remarkable. India's festival business is showing remarkable growth. Festival business has actually grown 14x in 2019 to 2014 to now. That is the kind of growth which festival business, the Diwali festival itself is a INR6 lakh crores business in India today, followed by Durga puja and the Ganesh Chaturthi. These 3 festivals combined together is a 7.3 lakh crore business, and it's a major supporter of India's economy.

So H2 is strong, and it is looking strong on account of weddings, on account of spiritual. Your question, particularly on ARR, ARRs are expected to grow during this period higher than what they have grown already for us. We expect strong Q3 and Q4 going forward.

Moderator: Next question is from the line of Shiv, an Individual Investor.

Shiv: Hi. I mean, firstly, I appreciate the way Mr. Dewan explains the company's performance and strategy. So thank you for that. I have 4 quick questions. With the -- I mean, our debt is on the track to approach pre-IPO levels. I mean, how much further could it rise? And does the management plan to control the leverage in some form? Similarly, when can we expect the EBITDA growth to translate into some meaningful PAT and cash flow growth?

And lastly, I mean, I'm pretty sure I can confidently say this for a lot of shareholders. I mean, our stock is significantly underperforming the peers and trading below its IPO price. Is management considering a buyback or other measures to restore investor confidence? I mean that's it from my end.

Vijay Dewan: So as far as we are concerned, our job in the management is to run the hotel company in a very effective and efficient manner. And we are focused on growth and sustained growth for all our shareholders. We do not track the value of the share on a day-to-day basis. In terms of the debt, which you mentioned, the debt is not at the same level. The level of the debt was in the range of INR600-odd crores when we went for the IPO.

And post IPO, the debt equity ratio is being well maintained. It's well below -- it is probably among the best in all the listed companies at the moment. A debt ratio of --- debt equity of 0.23 to 1 is possibly among the best. And if we were to look at net debt to equity, it is somewhere around 0.1 to 1. So we have INR100-odd crores of money which is invested lying at the moment in mutual funds.

Debt is at the moment, INR300 crores and the gross debt is INR300 crores. So the net debt is roughly around INR200 crores. So it is a very strong balance sheet, and it will always be our effort to actually maintain a strong balance sheet.

On your question of how PAT and PBT is going to improve as volumes as the quarter 3 and quarter 4 come in, both on the PBT side and the PAT side, we expect good improvement taking place. The important thing to understand at the moment is the EBITDA is in double-digit. The PAT has dropped at the moment a little, but that happens in a company which is on a path of growth and expansion.

And as we move into 2030 and 2031, our current ROCE is just a little sub 10. But as the properties open up, the return on capital employed will go past 20 for sure. So all this is a game of patience. It's a long-term strategic story of The Park. We are committed to sustained growth. And we are on course to deliver owned assets and adding 400 rooms quickly over the next 4 to 5 years and then also adding, opening new projects. So it's a very strong and bright future for the company.

Moderator: Thank you. As there are no further questions, I now hand the call over to management for closing comments. Over to you, sir.

Vijay Dewan: So thank you, everyone, and I would like to thank you all 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 Investor Relations team at Valorem Advisors. Thank you once again for participating in the call. Thank you.

Moderator: Thank you, sir. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.