

News monitored for: Lemon Tree Hotels

Lemon Tree Stock on a High Since its Listing

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New Delhi: Nearly eight months after the initial public offering of Lemon Tree Hotels, its stock has been one of the best performing among the IPOs that hit the market this year, with brokerages crediting the company's growth plans and capital allocation for the performance.

The New Delhi-based hotel chain's chairman, Patu Keswani, now hopes the returns for investors to increase further, boosted by its expansion plan that includes opening of several properties over the coming months.

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While the company has regularly been reporting the launch of managed properties through its subsidiary Carnation Hotels, Keswani told ET in an interview that it would now embark on opening of "big chunky" hotels owned by it in cities like Pune and Kolkata. It will also enter the Mumbai market. Lemon Tree Hotels has put together a corpus of ₹1,800 crore for investing directly in its hotels. Of this, ₹1,000 crore will go into properties owned by it that will become operational in the next 10 months, he said. "Most of the public issues (this year) went below the IPO price. And I think depending on market conditions, we go anywhere from 20-40% above the IPO price," Keswani said.