

Lemon Tree pumps in ₹1,000 cr to ramp up room capacity

Received ₹300 cr from Dutch pension fund APG

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Bangalore, May 12

Mid-scale hotel chain Lemon Tree Hotels is investing ₹1,000 crore to ramp up room capacity from 2,800 to 8,000 across the country by the end of 2017.

In the first phase, about 1,200 rooms will be added in a year.

Capital infusion

Lemon Tree has recently received ₹300 crore from Dutch pension fund APG, increasing APG's shareholding in the hotel chain from 5.66 per cent to 13 per cent.

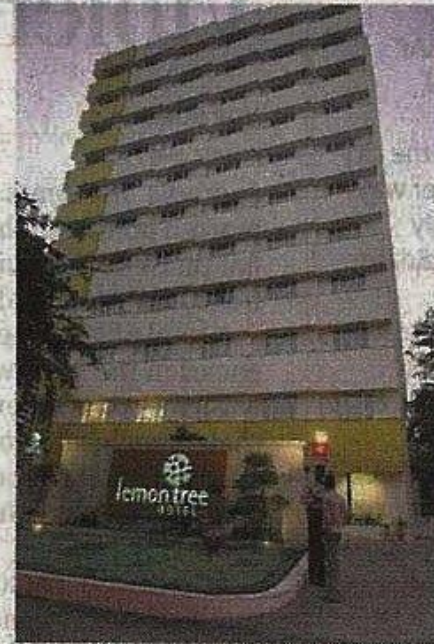
This is in addition to the ₹650-crore APG invested in Lemon Tree in 2012. The fresh infusion of capital will be used for development of the company's under-

construction assets and also for acquiring land for developing new hotels. The other three investors in Lemon Tree Hotels are global private equity firm Warburg Pincus, Japan's Shinsei Bank and Kotak Realty Fund.

"We are the country's third largest hotel chain that owns and operates rooms after Tata's IHCL (Indian Hotels Company, the No. 1) and ITC Hotels.

Our ramp-up will include rooms in our upscale brand Lemon Tree Premier, mid-scale brand Lemon Tree Hotels and economy brand Red Fox," said Sumant Jaidka, COO.

He was in Bangalore for the launch of Lemon Tree Hotel in Whitefield, a 130-room hotel that the company re-branded after acquiring the erstwhile Clarion Hotel last year through Fleur Hotels (a joint venture between Lemon Tree and APG).



The company is looking to increase its footprint in the South, where it currently has over 1,000 rooms in three cities — Bangalore, Hyderabad and Chennai. "We have two resort hotels, one

each in Goa and Kerala, and are in the process of finalising two more — one in Aurangabad and the other in Jaipur. We are also in the process of finalising hotels in Coimbatore, Coorg, Kovalam, Ooty and Thiruvananthapuram," said Jaidka.

Founded in September 2002 by Patu Keswani, the New Delhi-based company currently owns and operates 25 hotels in 15 cities, aggregating 2,800 rooms with 3,000 employees.

Its hotels are located in major destinations such as Ahmedabad, Aurangabad, Bangalore, Chandigarh, Chennai, Dehradun, Delhi, Goa, Gurgaon, Hyderabad, Indore, Jaipur, Kerala, Noida and Pune.

Some of the locations where Lemon Tree hotels are currently under development are — Mumbai, Pune, Kolkata, Udaipur, Hyderabad and Shimla.