

# Lemon Tree Hotels bets big on Pune

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## **Prepare to introduce national brand of "stripped-down five star" hospitality**

By A Business Reporter

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PUNE: Lemon Tree Hotels, a four year-old hospitality brand in the full-service, moderate-price category, is set to enter the Pune market in a big way with four hotels over the next three years.

The New-Delhi-based company, which currently operates two hotels in Gurgaon, also has projects under development in Delhi, Mumbai, Goa, Hyderabad, Chennai, Jaipur and Ahmedabad, which it expects to complete by 2008.

Its first property in Pune, a 122 room "upscale" business hotel at phase I of the Rajiv Gandhi Infotech Park at Hinjawadi, is nearing completion and will be opened at the of January 2007, CMD Patu Keswani told The Herald.

Lemon Tree has also bought the Amir Hotel property near Pune station and is redeveloping it as 180 room hotel in a joint venture with Panchshil Reality. "This will be our only joint venture", Keswani said. "Apart from designing and developing all our properties, we also own and manage them ourselves."

The Lemon Tree City Center, scheduled to open in August 2008, is being built over 60,000 square feet of retail space on the ground and first floors, which the company plans to lease to a "single large retail brand" like lifestyle, he added.

Keswani will be in the city on Friday to finalise a plot for a "twin hotel" in the area around Magarpatta to be ready by 2009. "We have looked at two plots owned by [Panchshil MD] Atul Chordia, who will likely partner us on this project as well", he said.

This new concept will involve a 130-150 room Lemon Tree Hotel and a 120-140 room Red Fox Hotel side by side. "Lemon Tree is our international standard four star brand, with room rates in the range of Rs. 3,000-Rs. 6,000. Red Fox is our economy brand, with more compact rooms at Rs. 1,100 - 1,200 a night and a 24 hour coffee shop", he explained.

The company on Tuesday announced that it had received a strategic investment of Rs. 280 crore

from private equity firm Warburg Pincus to finance its ongoing projects.

Keswani said he personally is "bullish" on Pune, which he sees transforming rapidly into a metro. "We intend to be the biggest hotel chain in Pune with up to 470 rooms in the Lemon Tree and 140 rooms in the Red Fox categories", he said.

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