

Lemon Tree hotel in Chennai by 2007-end

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Lemon Tree Hotels is developing its fifth hotel in India in Chennai. The 110-room hotel, which is being developed with an investment of Rs 37 crore, will be located opposite Raj Bhavan in Guindy, according to Ms Sharanita Keswani, Director, Lemon Tree Hotels. The property will be completed by December 2007, she said.

Lemon Tree Hotels plans to launch properties in Goa and in Pune in 2006. Lemon Tree has positioned itself as an upscale, full service hotel operating in the mid price segment. The hotel has a 24-hour coffee shop, lounge bar, 24X7 services, business and conference facilities, fitness centre pool.

The company is also on the lookout for land on the Old Mahabalipuram Road for another hotel as well as for their economy brand, Red Fox.

It may be recalled that Warburg Pincus, the global equity firm, is investing Rs 210 in the company. The investment will be used to further expand the Lemon Tree network pan India. The Lemon Tree brand operates in the Rs 3000 to Rs 5000 per room price band.

'BUDGET HOTELS'

The remaining Rs 70 crore will be invested in a new chain of limited service, budget hotels called Red Fox. The rooms in the economy hotel would be priced at Rs 800 to Rs 2000 per room.

Seven more hotels, aggregating 1,300 rooms, are under development across India. On completion of all these ongoing projects in 2008, the company will have a presence across 10 major Indian cities, including Delhi, Mumbai, Hyderabad and Chennai.

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