

Lemon Tree acquires Hotel Planet

HT India Live Indore

New Delhi-based lemon Tree Hotel Company has acquired Hotel Planet, Indore, on a long term lease. The company has also acquired Hotel President Park in Aurangabad, company's public relations firm Hanmer & Partner's executive Ridhi Chowfla said in an email.

The transaction value amounts to approximately Rs. 40 crore inclusive of deposit and renovation/refurbishment costs, and exclusive of revenue share over the term of lease, Mahajan & Aibara were the sole advisors of the transaction.

Both hotels would continue with the existing names till the end of 2007. They would be shut down in the first half of calendar year 2008 for extensive renovation and refitting to meet Lemon Tree brand standards. The refurbished properties, aggregating over 180 rooms, would subsequently be re-launched as Lemon Tree Hotels before the end of 2008.

Lemon Tree Hotels CMD Patu Keswani said, "The addition of these two hotels to the company is value additive from two perspectives. Firstly, it immediately extends the distribution of Lemon Tree Hotels into two key emerging cities. Secondly, it would enable the company to test the validity of its business model via inorganic growth."

Located on RNT Marg, about 8 km from Indore airport, Hotel President Planet is a mid-size business hotel and part of the Mumbai based President Group of Hotels.

Lemon Tree Hotels was promoted in 2002 and is focusing on hospitality sector in the mid-market segment.

The New Delhi based company that designs develops, owns and manages all its properties has five operating hotels in Gurgaon, Goa, Pune and Kaushambi (East Delhi).

Nine more hotels aggregating over 1400 rooms are under development across India. On completion of all these ongoing projects in 2010, the company would have a presence across 12 major Indian cities.

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