

Lemon Tree acquires two hotels on lease

Hindu Business Line

The Lemon Tree Hotel Company has acquired Hotel President in Aurangabad and Hotel Planet in Indore, on a long-term lease. The transaction value is approximately Rs 40 crore, inclusive of deposit and renovation/refurbishment costs, and exclusive of revenue share.

Both hotels will continue with the existing names till the end of 2007 and will be shut down in the first half of calendar year 200/8 for renovation and re-fitment. The refurbished properties, aggregating over 180 rooms, will be re-launched as Lemon Tree Hotels before December 2008.

Mr. Patu Keswani, Chairman & Managing Director, Lemon Tree Hotels, said "The acquisition extends the distribution of Lemon Tree Hotels into two key emerging cities. It also enables the company to test the validity of its business model via inorganic growth."

Promoted in 2002, the Delhi-based company has five operating hotels in Gurgaon, Goa, Pune and Kaushambi (East Delhi). Nine more hotels, aggregating over 1,400 rooms, are under development, on completion of which they will be present in 12 Indian cities, including Bangalore, Hyderabad, Chennai, Jaipur and Ahmedabad.

October 16, 2007