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Check-in IPOs: Surge in listings signals a new era for hospitality

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IPOs hit the suite spot

A surge in listings signals a new era of scale, ambition, and formalisation for India's hospitality industry

IMAGING: AJAYA MOHANTY



GULVEEN AULAKH
New Delhi, 7 July

India's hospitality sector is rolling out the red carpet for investors. A flurry of upcoming IPOs, or initial public offerings, the entry of new players, and ambitious expansion plans by Indian and global hotel brands are ushering in what could be the industry's most formalised era yet.

Leading the charge are real estate titans, who are turning their hotel arms into global hospitality chains.

Among the first movers is Bengaluru-based Brigade Enterprises, which has filed for a ₹900 crore public issue for its hospitality arm, Brigade Hotel Ventures. Close on its heels is peer Prestige Group, which is looking to raise ₹2,700 crore via listing Prestige Hospitality Ventures, including a possible ₹340 crore pre-IPO placement.

"The IPO is really to grow the business and unlock value," said Pavitra Shankar, managing director of Brigade Enterprises, which has been in the hospitality space since 2007-08 when it started constructing the Sheraton and Grand Mercure. "The sector has done well, and having come through Covid, we felt the outlook is good."

For Prestige, the listing is a strategic tool to fund expansion, acquisitions and reduce its debt burden of nearly ₹1,121 crore.

New Delhi-based LaRiSa Hotels and Resorts also plans to hit the markets this year. "We are targeting to launch the IPO at the earliest, subject to regulatory approvals and market conditions," said Randhir Narayan, its director. Proceeds will go toward expanding LaRiSa's portfolio, including greenfield developments, brand marketing, environmental, social, and governance (ESG) initiatives, and debt reduction.

LaRiSa, which operates brands like LaRiSa Resorts, AM Hotel Collection, and 8fold by LaRiSa, aims to more than double its managed room inventory to over 2,000 rooms by 2028-29 (FY29), developing theme-based hotels such as wellness retreats and activity-based stays across cities, leisure and religious destinations. It also has plans for Southeast Asian markets accessible within a five-hour flight.

Lemon Tree Hotels is preparing to take its subsidiary, Fleur Hotels, public by FY29. "I can say with certainty it will happen in the next 1.5-2 years, max," said Patanjali Govind Keswani, chairman and managing director of Lemon Tree Hotels, during its February 2025 investor call. The listing is expected to make Lemon Tree debt-free and unlock value, with Keswani projecting Fleur's earnings before interest, taxes, depreciation, and amortisation (Ebitda) at \$100 million by the time it lists.

Busy pipeline
The pipeline for hospitality IPOs is crowded. "This momentum is only expected to build," said Mandeep S Lamba, president and CEO (South Asia), HVS Anarock. The real estate consultancy predicts that 2025 will see the highest number of hospitality IPOs.

"Brigade Hotels and Prestige Hospitality Ventures have filed draft papers with Sebi, while Oyo is reportedly reviving its IPO plans. Based on our

To the market

- **Brigade Hotel Ventures** plans ₹900 crore IPO to expand its hospitality business
- **Prestige Hospitality Ventures** targets ₹2,700 crore IPO for growth and debt reduction
- **LaRiSa Hotels & Resorts** to launch IPO for portfolio expansion, ESG goals, and to tap Southeast Asia entry
- **Lemon Tree Hotels** to list subsidiary Fleur Hotels by FY29 to unlock value and go debt-free
- **Oyo, Ambuja Neotia Group, and Bharat Hotels (Lalit Suri Group)** also exploring IPOs amid booming sector optimism

ongoing conversations, we believe at least three more hospitality IPOs are in advanced stages for FY26," Lamba said.

Oyo, which is eyeing a valuation of \$6-7 billion, reportedly intends to file a draft red herring prospectus by August-September.

Industry insiders say among the others is Kolkata-based Ambuja Neotia Group, which has interests in real estate and hospitality with third-party managed hotels and a tie-up with IHCL for Tree of Life Resorts. Hospitality accounts for 25 per cent of its estimated ₹2,000 crore turnover for FY25.

Lalit Suri Hospitality group's Bharat Hotels is also keen on a public listing, chairperson Jyotsna Suri told *Business Standard* last month.

The sector's optimism is rooted in recent market successes. Juniper Hotels and Apeejay Surrendra Park Hotels raised ₹920 crore and ₹1,800 crore, respectively, via IPOs in 2024. Chalet Hotels raised ₹1,000 crore through a qualified institutional placement in March 2024, while Ventive Hospitality, backed by Blackstone Group and Panchshil Realty, launched a ₹1,600 crore IPO in December 2024; it was oversubscribed nearly 10 times.

Meanwhile, ITC Hotels demerged from ITC Ltd in January, commanding a market cap of ₹46,295 crore by end-June.

Schloss Bangalore Ltd, which operates luxury hotels and resorts under the Leela brand, raised ₹3,500 crore in May — the biggest hospitality IPO to date — and had a market cap of ₹13,605 crore by June-end.

"The influx of listed hospitality companies is poised to enhance transparency, corporate governance, and investor engagement," said Lamba, adding that a dedicated hospitality index might finally be feasible. Such an index could transform investment benchmarking and bring sharper insights for investors and operators alike.

What's turning the key
There are various factors that are sending the sector the IPO way.

Boston Consulting Group's June 2025 report lists one. According to the report, leisure travel within India is expected to see a significant continued growth. "Indian travellers are increasingly exploring their own country, as well as the world (domestic, regional, and international overnights will rise by 3 per cent, 4 per cent, and 6 per cent, respectively, per year)," it says. "Spend-

ing," it adds, "will increase by 12 per cent per year domestically, 8 per cent per year regionally, and 10 per cent per year internationally."

The desire to de-leverage balance sheets and fund future growth, as demonstrated in The Leela IPO and the ITC demerger, is another motivator.

Lamba adds to the list of trends reinforcing long-term optimism in the sector: Better travel infrastructure, shifting consumption patterns, rising discretionary incomes, a favourable demographic profile, and robust gross domestic product (GDP) growth.

India attracted \$93 million in hospitality investments in the first half of 2024, with listed companies accounting for 44 per cent of the transaction volume. The upscale segment dominated, contributing 44 per cent, followed by the mid-scale segment (31 per cent), luxury (23 per cent), and economy making up for the rest.

Rubix Data Sciences projects the sector to grow at a compound annual growth rate of 10.5 per cent till FY27, by when it is projected to touch ₹1.1 trillion.

The growth will primarily be driven by domestic travellers, foreign tourists, and the meetings, incentives, conferences, and exhibitions segment.

As of FY24, India had around 188,000 hotel rooms, with a 62 per cent growth in hotel signings in 2024 adding a record 47,000 rooms. Hotel chains could cross 219,000 rooms by FY26 and reach 241,000 by FY27, Rubix Data Sciences noted.

Yet, this may not be enough, said K B Kachru, president, Hotel Association of India and chairman, South Asia, Radisson Hotel Group. India, he said, needs at least 500,000 rooms by 2030 to meet rising travel demand.

It's no surprise that international hotel chains are doubling down on India.

Take the example of Hilton, which currently has 60 properties here — operational and in the pipeline. Its president and CEO, Chris Nassetta, said in May that the plan was to increase that number 10-times over the next decade.

Marriott International, meanwhile, launched its new 'Series by Marriott' brand in May, planning to grow from 158 hotels in 42 locations in India to 242 hotels in 90 cities.

In the past two months, international chains have announced aggressive expansion plans for India. Most plan to open 100-300 hotels in the next five years, said analysts at Elara Capital.

Indian Hotels, Accor, and Radisson are also charging into tier II and III cities with asset-light models to capture the swelling middle-class travel boom and fill the gap of branded hotels.

Even conglomerates like Adani are jumping into hospitality. The group plans to build two premium or luxury hotels of 300 rooms each, investing ₹1,500 crore at the Sardar Vallabhbhai Patel International Airport, which it operates, in Ahmedabad. While Adani won't manage the hotels directly, it will likely partner with established hospitality players.

"By investing in hotels, lounges, and event spaces around their airports and mixed-use real estate, Adani is poised to transform transit hubs and city locations into premium lifestyle destinations," said Lamba. "Its financial strength and long-term vision could accelerate sectoral consolidation and professionalism, particularly in emerging gateway cities."

For India's hotel business, opportunity is opening new doors.