

2ND MAJOR INVESTMENT IN A WEEK

Goldman Buys Stake in Vatika Hotels for ₹255 cr

Hospitality firm to use funds for existing and upcoming projects

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New Delhi: US banking group Goldman Sachs has acquired an undisclosed stake in Gurgaon-based Vatika Hotels for ₹255 crore, according to a top executive at the hospitality firm, which owns Westin properties in Gurgaon and Sohna near Delhi.

Gaurav Bhalla, managing director at Vatika Hotels, said that the company will use the money invested by Goldman Sachs for its existing and upcoming hotel projects. The hospitality venture of realty firm Vatika group plans to build a hotel each in Jaipur and Pondicherry.

The group did not divulge the amount of stake Goldman Sachs will hold after the investment. An email questionnaire sent to Goldman Sachs did not elicit a response.

Vatika Hotels also runs 12 business centres under the Vatika Business Centres brand and operates 3,000 seats. It plans to double this capacity over the next 36 months. The company has also ventured into the healthcare industry with the acquisition of Health Square, a premium diagnostic centre chain. This will be rebranded as Vatika Medicare. It also manages close to 45 million sq ft of space through its facilities management arm ENVIRO.

Bhalla said that the group was expecting more private equity (PE) investments for its projects but refused to divulge details. He attributed the growing global PE interest into Indian developers to a safe investment en-

Vatika Investments

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GOLDMAN HAD invested ₹600 cr in Vatika group in 2007. The promoters bought back the stake in 2013

THE COMPANY plans to build a hotel each in Jaipur & Pondicherry



VATIKA PLANS TO DOUBLE ITS BUSINESS CENTRE OPERATION TO 24 CENTRES IN THE NEXT 3 YEARS

vironment in the wake of a stable and strong government at the Centre.

Singapore's sovereign wealth fund GIC had last week invested ₹150 crore in a joint venture with Vatika group to develop two realty projects in Gurgaon.

This isn't Goldman Sachs' first investment in Vatika group. The global bank had invested in the company during the peak of India's real estate cycle in 2007 along with Wachovia Bank and Baer Capital Partners. The three had invested ₹1,000 crore in the company and were to get an exit through an IPO by the end of 2010.

Vatika had planned an IPO in 2009 but that did not materialise as the market tanked after Lehman Brothers collapse in 2008. The company again tried to tap the markets in 2010 but the IPO did not go through like many others around the same time. Goldman finally exited the ₹600 crore investment in 2013 after the promoters agreed to buy back the investors' stake.

Goldman Sachs had also invested in Four Seasons hotel in Bengaluru during the peak but sold the stake recently to a joint venture company of Blackstone and Embassy group.