

# Vatika Hotels in Talks with PEs to Raise ₹750cr for Expansion

Looks to use funds for expansion of its verticals including hospitality, facilities management & business centres; also evaluating acquisition opportunities

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**Mumbai:** Vatika Hotels, hospitality arm of the Gurgaon-based realty developer Vatika Group, is in talks with private equity firms to raise about ₹750 crore to support expansion of its verticals including hospitality, facilities management and business centres, said three persons with direct knowledge of the development.

"The deal is gaining momentum

as 4-5 private equity players have shown interest in picking up the stake. This capital would be used for next stage of expansion across verticals, including the Westin hotels, facilities management Enviro and Vatika Business Centres," said one of the persons mentioned above.

Vatika Group had raised private equity capital worth ₹300 crore from Goldman Sachs in 2015. This investment was made in Vatika Hotels and the company regained 100% equity through an exit provi-

ded to Goldman Sachs in 2017.

In 2007, the Vatika Group had raised ₹800 crore in the form of equity at the holding company level. Goldman Sachs, the largest investor in that round along with Baer Capital Partners, had invested ₹300 crore in the group. Wachovia Bank, which is now Wells Fargo, had put in ₹200 crore. All these investors have already made their complete exits from the company.

Singapore's sovereign fund GIC had invested in the Vatika Group

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projects in 2014 and still remains invested. ET's email query to Vatika Group remained unanswered till the time of going to press, while transaction advisor JLL India declined to comment for the story.

Vatika is looking to expand the capacity of both the hotels it owns - The Westin Hotel Gurgaon and

Westin Resort & Spa Sohna from existing 410 keys to 660 keys. The company is targeting to treble the room keys in the next 3 years to at least 1,200 keys.

It is also evaluating acquisition opportunities in the market with its preferred operating partner for distressed hotel properties with the aim to refurbish and turn them around to unlock value. For inorganic growth, the company is focusing on business-cum-leisure hotels at prominent hill stations in North India

with good connectivity.

Enviro, the Facility Management business of the company, is currently managing around 30 million sq feet of area and is expected to add another 15 million sq ft organically and additional 15 million sq feet through inorganic route of growth over the next 3 years.

The company is planning to use part of the capital to be raised to acquire target facility management companies primarily to expand the footprint of this business from

North India to southern and western regions, where it sees strong growth opportunities.

Vatika Business Centre, the business centre service provider, at present has around 5,000 seats spread across its 18 centres in New Delhi, Gurugram, Noida, Mumbai, Bengaluru, Chennai, Hyderabad, and Pune. The company is planning to increase it to over 12,000 seats over the next 3 years. It also plans to expand overseas with centres in Singapore, Dubai and Hong Kong.

<https://economictimes.indiatimes.com/industry/services/hotels/-restaurants/vatika-hotels-in-talks-with-pes-to-raise-rs-750-crore-for-expansion/articleshow/68279451.cms?from=mdr>

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By *Kailash Babar*, ET Bureau | Mar 06, 2019, 08.07 AM IST



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<https://realty.economictimes.indiatimes.com/news/hospitality/vatika-hotels-in-talks-with-pes-to-raise-rs-750-crore-for-expansion/68279585>

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