

# Samhi says now's the time to buy hotels

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Hospitality investor Samhi Hotels, which recently bought the Royal Orchid Hotel in Hyderabad for ₹179 crore, is scouting for properties in Visakhapatnam (Andhra Pradesh), Pune (Maharashtra) and Coimbatore (Tamil Nadu). The company will open hotels with brand partners Accor, Starwood and Marriott.

Started in the thick of the economic slowdown in 2011 and expanded mostly through new projects, Samhi believes now's the time for acquisitions. Co-founder Ashish Jakhanwala said deals in the sector were set to rise this year. "The prices of assets have come down by over 40 per cent now. We can get some sweet deals. Three years ago no one

was selling, they were only quoting," he said. The company has access to around \$20-25 million but would raise more from its investors, if required.

Even as Samhi is talking to banks for selling its non-performing assets, it is open to assuming the debt of hotel properties it buys. "Banks don't

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have a negative view on the sector. They have a negative view on promoters. The Reserve Bank of India has given these a clear mandate about how to deal with non-performing assets, so we will see a fair bit of activity in the sector," Jakhanwala said.

Samhi is yet to decide which brand under its umbrella would run the Hyderabad property. "We will do a swayamvar (an ancient Hindu practice of letting the girl choose a husband from a

group of suitors) of sorts among the brands we have partnered though we do have a front-runner. Usually, it is after we decide upon the asset that we go to the brand we feel is the best fit," Jakhanwala said.

Samhi has partnered Accor's Formule1, Courtyard by Marriott, Hyatt Place, Fairfield by Marriott and Four Points by Sheraton. The company has so far stuck to budget and mid-market brands. "Currently, we have equity of ₹700-800 crore with little debt. Luxury would require a lot of cash and we are still young and don't want to go that way yet," Jakhanwala said.

So far, the company has raised \$150 million to invest in 24 hotels across four brands in 10 cities in the country. Samhi, which says it is "brand-agnostic", has tied up only with global chains and plans to continue with that strategy.