

Ginger Hotels looking to sell six properties

IHCL's (Indian Hotel Company Limited) budget hotel chain Ginger Hotels is looking at selling six properties in locations like Goa, Whitefield Bengaluru, Mysuru and Pondicherry, according to people aware of the development. The move is seen aligned with the 'Aspiration 2022' strategy unveiled by its parent IHCL, to become less ownership driven.

The company has released a mandate to consulting firm Horwath HTL Corporate to proceed with the sale process, and is considering a sale and lease back arrangement. A mandate has been released to the consulting firm for six Ginger hotels currently owned by the company to sell the hotels and do a sale and leaseback or management arrangement.

Ginger was planning to look at mostly leasing opportunities in the metros till its balance sheet is not capitalised. In February this year, IHCL, which operates the Taj Group of hotels, had unveiled the 'Aspiration 2022' strategy to improve its EBIDTA margin from 17% now to 25% by 2022 under its new managing director, Puneet Chhatwal.

Roots Corporation, which operates Ginger Hotels, is a wholly owned subsidiary of IHCL. The five-year plan for IHCL includes selling its non-core assets and becoming less ownership driven (60% of its assets will not be owned by the company by 2022), reducing its dependence on the luxury segment, moving the hotels portfolio of some of the group companies to the holding company, monetizing its non-core assets including residential apartments in Mumbai and other land banks, and forging new external and internal alliances with other Tata Group companies.