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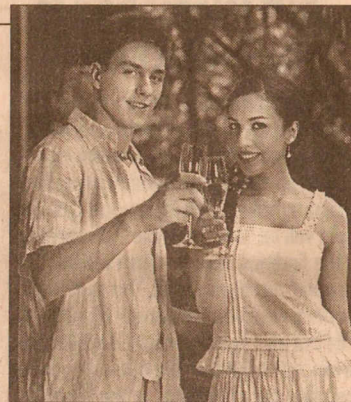
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BUSINESS OF BRANDS

THE ECONOMIC TIMES NEW DELHI MONDAY 22 DECEMBER 2008

Duet checks into three hotel ventures

UK-Based PE Fund Acquires Properties From Starlight Investments & Insureprofit



INCREDIBLE BUY

- **The acquisition of three companies that owned hotels in Pune, Jaipur and Ahmedabad was made by Duet's real estate investment arm, Duet India Hotels**
- **In a distress sale by the UK owners, the assets came at a discount, which is close to Rs 200 crore**
- **The minority stake was purchased from Alok Vajpayee, chief of financial advisory firm Dawnay Day AV Financial Services**

Gireesh Chandra Prasad
NEW DELHI

UK-BASED private equity fund Duet Group has acquired three new hotel ventures in India from their bankrupt British owners Starlight Investments and Insureprofit. The acquisition of three companies that owned hotels in Pune, Jaipur and Ahmedabad was made by Duet's real estate investment arm, Duet India Hotels, a person close to the transaction said.

The acquisition was concluded on December 12. In a distress sale by the UK owners, the assets came at a discount from their current market price, which, according to analysts, is close to Rs 200 crore.

Sumant Batra, legal counsel for Duet, who

led the negotiations with a receiver appointed by British authorities, confirmed the transaction, but declined to divulge any details.

Duet India Hotels COO Naveen Jain declined to comment on the questions raised in an emailed questionnaire regarding the deal. The two hotel projects in Pune and Ahmedabad are under construction and are likely to be completed next year while the one in Jaipur is almost ready to be opened, the person said.

Duet acquired majority stake (over 90%) in the three companies owning the hotels from the receiver appointed by a British bankruptcy court. The minority stake was purchased from Alok Vajpayee, chief of financial advisory firm Dawnay Day AV Financial Services, which is a joint venture between Mr Vajpayee and Dawnay Day International.

Starlight Investments and Insureprofit owned hotel companies in India directly or through their 100% owned Dawnay Day Group of Companies. Dawnay Day had planned to promote the hotels under the brand 'Ten Hotels'. Now Duet will take a call on the branding.

Duet clinched the deal, which was eyed by several other funds, as it could rope in both the majority and minority shareholders and swiftly comply with the legal requirements of buying a distressed asset in India with offshore owners. With this, Duet India Hotels will own four hotels in India, including the one it already has in Indore. The deal highlights the fact that investors see long-term value in Indian assets even though the overall sentiment in Indian real estate and hospitality business is bearish.