

Hospitality giants deserting properties at Lavasa hill city

Global hospitality major AccorHotels and Lavasa Corporation, a subsidiary of Hindustan Construction Co (HCC), have ended their alliance to operate and manage the latter's Lavasa International Convention Centre (LICC) facility offering 34,500 square feet of conference/ meeting space in India's first private hill city project.

AccorHotels is also reviewing its management agreement for Mercure Lavasa, a hotel currently operational in Lavasa, and the under-construction Novotel property. Given the uncertainty surrounding debt-ridden Lavasa, it is not clear at this stage if AccorHotels will continue its association with Lavasa Corp, going forward, sources said.

Lavasa Corp's first business hotel, opened in March 2009, is currently being managed by ITC's wholly owned subsidiary Fortune Park Hotels under the Fortune Select Dasve brand. The management agreement for this 60-room business hotel with Lavasa is nearing its tenure that ends in March 2019. Industry sources told DNA Money that this alliance is also under review by the top management of Fortune Park Hotels.

Burdened with outstanding dues to the tune of around Rs 6,000 crore to a consortium of lenders comprising 17 banks, the Lavasa management was earlier exploring the National Company Law Tribunal (NCLT) route. However, there has been no development on that front as yet.