

Samhi Hotels Targets INR 3,000 Cr Revenue with Expansion

Samhi Hotels Ltd is aiming to more than double its revenue to ₹3,000 crore in the coming years as part of a comprehensive expansion strategy focused on increasing hotel inventory and investing in boutique hospitality experiences.

The company, which operates hotels under global brands including Marriott International and IHG Hotels & Resorts, currently generates approximately ₹1,200 crore in annual revenue.

Chairman and Managing Director Ashish Jakhanwala stated that the next phase of growth will be driven by new hotel openings in major business travel hubs such as Hyderabad and Bengaluru, along with steady performance from existing properties.

“We are targeting at least ₹3,000 crore in topline revenue from our current ₹1,200 crore,” Jakhanwala said, highlighting that additional inventory and strong domestic travel demand will play a key role in achieving this goal.

Expansion Focused on Growing Hotel Inventory

A major component of Samhi Hotels’ growth strategy involves expanding its room inventory across high-growth urban markets in India.

The company currently manages a diversified portfolio of about 7,500 rooms across multiple segments of the hospitality market:

- Around 2,000 rooms in the mid-scale segment
- Approximately 2,000 rooms in upper mid-scale properties
- Nearly 2,400 rooms in upscale and upper-upscale hotels

Mid-scale hotels generally fall in the three-star category, offering essential services at moderate pricing, while upper mid-scale hotels—typically in the four-star category—provide larger rooms and enhanced amenities.

Jakhanwala expects same-store revenue growth of about 9–10% annually, supported by strong domestic travel demand across the country.

Industry analysts note that India's hotel sector is currently benefiting from a combination of rising corporate travel, increased domestic tourism, and a gradual recovery in international arrivals.

Gradual Shift Toward Upscale Hospitality

Another key aspect of Samhi's strategy is a gradual shift toward the upscale hospitality segment.

Currently, around 45% of the company's revenue comes from upscale properties, while the remaining 55% is generated by mid-scale brands such as Holiday Inn Express and Fairfield by Marriott.

However, this mix is expected to evolve significantly as new premium hotels come online.

According to Jakhanwala, once upcoming W Hotels and Westin Hotels properties begin operations, the revenue distribution is expected to change to:

- 65% from upscale hotels
- 35% from mid-scale properties

This shift reflects growing demand for premium accommodation across India's key business and leisure destinations.

Industry experts point out that upscale hotels typically command higher average daily rates and deliver stronger operating margins compared to mid-scale properties.

Rare India Investment Expands Boutique Hospitality Presence

A significant element of Samhi's expansion strategy is its investment in boutique hospitality platform Rare India.

Samhi has acquired a 70% stake in Rare India for approximately ₹45 crore, including an upfront investment of around ₹30 crore. Founder Shoba Mohan will continue to hold the remaining stake.

Rare India curates a network of experiential boutique hotels across the Indian subcontinent. The platform currently represents around 70 independent properties across 15 Indian states, along with hotels in Nepal and Bhutan.

These properties collectively offer roughly 1,000 rooms across distinctive destinations such as:

- Wildlife reserves
- Heritage locations
- Mountain retreats
- Cultural tourism hubs

Many of these boutique hotels command premium rates, with nearly 60% charging more than ₹25,000 per night.

Jakhanwala described the Rare India investment as a strategic entry into the high-margin experiential leisure travel segment.

Marriott Bonvoy Partnership to Expand Boutique Distribution

Rare India will also benefit from a strategic distribution partnership with Marriott International.

Through this arrangement, Rare will sign an affiliation agreement with Marriott's Outdoor Collection, allowing independent boutique hotels to access the global distribution and loyalty ecosystem of Marriott Bonvoy.

The agreement grants Rare exclusive rights across India, Sri Lanka, Nepal, and Bhutan to onboard eligible boutique properties onto the platform.

This partnership is expected to significantly enhance the visibility of independent experiential hotels among international travelers.

Globally, major hospitality companies have increasingly collaborated with boutique platforms to expand their luxury leisure offerings. A similar approach was adopted by Hyatt Hotels Corporation through its acquisition of boutique travel platform Mr & Mrs Smith.

Financial Turnaround Driven by Strong Travel Demand

Samhi's expansion comes on the back of a strong financial recovery.

In FY25, the company reported a profit after tax of ₹85.5 crore, compared to a net loss of ₹338.6 crore in FY24.

The turnaround was driven by:

- Higher hotel occupancy levels
- Strong domestic travel demand
- Improved operational efficiency

Jakhanwala noted that domestic travel in India has remained resilient despite occasional disruptions such as airline operational challenges or seasonal fluctuations.

According to estimates from ratings agency ICRA, India's premium hotel segment is expected to maintain strong performance in FY2026, with:

- Occupancy levels between 72–74%
- Average room rates rising to ₹8,200–₹8,500
- Operating margins reaching 34–36%

Limited new supply in several major cities continues to support strong demand across the hospitality sector.

Outlook: Growing Focus on Experiential Travel

Looking ahead, Samhi plans to leverage the Rare India platform to better understand evolving customer preferences in the rapidly expanding experiential travel market.

Historically focused on urban business hotels, the company sees boutique hospitality as an opportunity to explore smaller, experience-driven formats before committing large-scale capital to resort development.

Jakhanwala noted that global hospitality trends increasingly favour smaller, unique hotels offering curated experiences that can command premium pricing.

With domestic tourism continuing to grow and demand for experiential travel rising, Samhi Hotels is positioning itself to play a key role in the next phase of India's hospitality sector expansion.