

MBD Group Forms 51:49 JV with Germany's Steigenberger

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New Delhi: Delhi-based education company MBD Group, which runs 5-star properties Radisson Hotels in Noida and Ludhiana, has entered into a joint venture with Germany's Steigenberger Hotels in India in 51:49 ratio.

The company will build five luxury hotels under the joint venture and manage another 15 by 2030. The two partners plan to run 20 luxury hotels in the next 15 years.

MBD Group will own five of these hotels while for the rest, it will look for independent owners.

"It'll be a combination of building hotels and signing up other third-party builders. It takes nearly five years to build a hotel and that will slow our pace down, therefore we are looking to manage hotels as well."

MBD Group's joint managing director Sonica Malhotra told **ET**, without disclosing the amount the company will invest in this venture.

MBD Group recently acquired a property independently in Bengaluru for over ₹300 crore. This will be ready and operational by 2019 and will be managed under the joint venture. The company is also looking at Goa, Mumbai, Delhi and Chennai to open luxury hotels.

The partners plan to focus on luxury hotels to begin with, but in the second phase the joint venture will consider bringing in affordable brands as well.

Hotels across the world make nearly 40% of their revenues through global distribution systems.



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