

OYO Acquires Novascotia Boutique Homes

Acquisition is to fuel company's vision of ending 2018 with 180,000 exclusive keys while gaining a 4.5 percent share of India's hotel market



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19 March, 2018
by BW Online Bureau

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OYO INKED its first business acquisition, entering into an agreement with Chennai based service apartment company – Novascotia Boutique Homes. The acquisition will add to the company's existing portfolio and strengthen its deep operational expertise in delighting corporate customers and reiterating its focus on creating India's largest corporate service brand. It is the first in a series of acquisitions, collaborations, innovations and launches for OYO, all of which are aimed at creating a strong and sustainable ecosystem for entrepreneurs, hotel partners, asset-owners and travellers.

Commenting on the development, Ritesh Agarwal, Founder & CEO – OYO said, "Though in the niche segment of boutique homes, Novascotia brings with it the expertise in catering to the corporate travel segment, an area we have seen great potential and established ourselves as the market leader with varied offerings across 230+ cities including all major corporate hubs. The acquisition forms an integral part of our inorganic growth plan, in line with our ambition to create beautiful and quality living spaces and adding value to every form of real estate. OYO is poised to deliver 180,000 keys by the end of 2018 and with Novascotia's Strength, we will be adding service apartments to our existing portfolio - which includes budget rooms, OYO Townhouse, OYO Home, enabling us to offer a wide range of choices to our customers."

With this acquisition, OYO will bring its distribution, operational, transformational and technological capabilities on board for offering corporate travellers quality accommodation options with a complete focus on privacy, safety and home-like care. The acquisition will boost OYO's portfolio by 350 exclusive rooms across locations where Novascotia has its footprints further strengthening OYO's position as the largest full stack hospitality tech company in India. With 100% of its demand coming from corporates and a healthy EBITDA of 14%, Novascotia has built a strong portfolio for itself while providing executive furnished accommodation to corporates for their personnel stay in locations, including Chennai, Coimbatore, Hyderabad, Kochi and Trivandrum and OYO plans to expand these offerings to 12 cities by the end of 2018. These serviced apartments are located in the heart of business hubs equipped with spacious rooms, upscale interiors, meals, gym and dining area to cater all the requirements of business travellers.

G. Madhu Manohar and Girja Madhu, Co-founders, Novascotia, said, "Novascotia is a brand built over years with a lot of commitment and hard work. With OYO, we saw similar passion towards solving a problem and we are thrilled to become a part of the entity which is driven by perseverance and innovation. We are convinced that OYO with its wide experience in the hospitality business and hunger for delivering quality customer experience has every potential to take the Novascotia brand promise of 'home away from home; forward. We are delighted with the support and professionalism received from OYO, its teams and our advisers at ANOVA Corporate Services for taking this to closure. We are excited to be onboard."

Ritesh further added, "OYO was built from the ground up in 2013 with the mission to create beautiful living spaces. The value proposition both Girja and Madhu bring to the table through their skills in hospitality and interior designing is something exceptional and visible in the way the Novascotia has grown as a brand. We are upbeat about our India story and plan to go deeper into the market by exploring new opportunities and changing the way people stay away from home and this takes us a step ahead in that direction. We look forward to scaling up this business and offering corporates what they look for the most while travelling - a homely

and enriching experience. This acquisition is in line with our quest to support India's entrepreneurial ecosystem and create infrastructure for new companies to grow. We want potential partners and fellow entrepreneurs to know that their ideas and energy will always find a home at OYO."

With technology as a driver, OYO has successfully established itself as India's largest hospitality company. It works in close proximity with hotel partners through multiple operating formats and currently, over 95% of their business is being driven by exclusive full inventory partnerships. The company has developed capabilities to add up to 10,000 rooms per month and will end the year with 180,000 keys - cementing the brand's leadership over traditional hotel players and start-up emulators by more than 20X. OYO aims to serve customers through their existing brands - OYO Rooms, OYO Townhouse and OYO Home.