

COMMERCE

Sahara Group to sell shares in Plaza Hotel to post chairman's bail

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Fairmont's The Plaza in New York

By STAFF REPORTS

Fairmont-managed The Plaza Hotel in New York may be up for sale again under unexpected circumstances.

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The Sahara Group, which has owned the iconic property since 2012, is looking for a buyer so that one of its senior executives can post bail. Subrata Roy, Indian millionaire and chairman of Sahara Group, has been in a New Delhi jail since March after the Securities and Exchange Board of India accused him of being involved with an international money-laundering scheme.

Trouble

The Sahara Group purchased The Plaza for \$570 million from the Israeli firm Elad Properties in 2012 after the latter organized a massive renovation of the property.

Sahara Group currently owns 75 percent of the 107-year-old property in addition to the Dream Hotel Downtown, also in New York, and London's Grosvenor House.



The Plaza Hotel viewed from Central Park

To be released from jail, Mr. Roy must post a bail of \$3.9 billion, which will also be used to repay investors. Sahara Group must either sell or mortgage its hotel properties to raise enough for Mr. Roy's release.

Ironically, the Plaza Hotel has just introduced its own take on the Hasbro board game Monopoly, where the jail tile is rebranded as security ([see story](#)).

Bids to purchase the Plaza are going directly to the Indian government. Thus far, the highest bidder has been Madison Capital Holdings which offered \$800 million for Sahara Group's share in the property.

In November, according to reports, an anonymous Middle Eastern family offered Sahara Group \$1.61 billion for the Plaza.

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