

News monitored for: Lemon Tree Hotels

## Blackstone, 4 Others Look to Check into Lemon Tree

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**Mumbai:** Global private equity funds Blackstone, Brookfield, GIC, ADIA and CPPIB are in talks to pick up around 25% stake in Lemon Tree Group of Hotels for about \$150-200 million, valuing the company at about \$600-700 million, said three people with direct knowledge of the development. The existing private equity investor Warburg Pincus that holds around 30-35% stake in the company might either partially or completely exit its ten-year-old investment in the company.

"The company's initial public offering plans have been pushed back for the time being and that is why Warburg wants to now exit through a secondary sale," said a person with direct knowledge of the development.

"The company might also raise some primary capital through this round." The investor and promoters have appointed investment bank Morgan Stanley to look for



**Brookfield, GIC, ADIA and CPPIB in talks to buy stake for \$200m valuing co at \$700m**

buyers for around 20-25% stake valued at \$150-200 million. As per the current value, the company's total valuation will be pegged at \$600-700 million, another person privy to the discussions said.

"Since Warburg has stayed its course in the company, it does not want to get locked in for another year and half for the IPO and hence a stake sale is being

planned," the person said.

"All the global funds have been reached out to. Currently, talks are on with Blackstone, GIC, Brookfield, CPPIB and ADIA," said the third person involved in the discussions.

Founded by former chief operating officer at the Taj Group of Hotels Patanjali (Patu) G Keswani in 2002, Lemon Tree owns 29 hotels with 3,200 rooms across premier luxury, mid-market and economy segment in around 18 cities across India.

In an emailed response to ET's queries, Patu Keswani declined to comment.

A spokesperson for CPPIB too refused to comment while emails sent to Blackstone, ADIA, Brookfield and GIC and Warburg Pincus did not elicit any response till press-time. The company is currently expanding and building nine more hotels. The company that additionally manages five hotels as a contractor is now looking to go global with plans to start hotels in the Middle East and Far East Asia.