Mumbai: Global private equity major Warburg Pincus will be divesting its 50% shareholding of 94,500,003 shares in Lemon Tree Hotels that is launching an initial public offering (IPO) of over Rs 1,000 crore next week.

The PE firm, via its arm Maplewood Investment, had bought a little over 24% stake in the homegrown mid-market hospitality chain in 2006 for Rs 210 crore.

According to Patanjali G Keswani, chairman and managing director, Lemon Tree Hotels, the promoters are not selling any of stake in the company.

“There is no primary component in this public offer,” he said.

The promoter entities hold a little over 31% stake in the hotel company and the balance is held by PE and non-promoter shareholders.

Another PE investor, APG, with 13.10% stake will also continue to stay invested in the hospitality company.

Among non-promoter shareholders making partial exits through this IPO are RJ Corp which has 25,520,584 shares, Ravi Kant Jairurg & Sons (Hindu Undivided Family) – 13,999,416 shares, Whispering resorts – 6,886,180 shares, Swift Builders Ltd – 883,440 shares, Five Star Hospitality Investments Ltd – 23,649,816 shares, Palms International Investments Ltd – 19,159,911 shares, Satish Chander Kohli – 460,000 shares and Raj Pal Ganshi – 500,000 shares.

The public offer of 18.5 crore (195,479,400) equity shares will constitute up to 23.59% of the company’s post offer paid-up equity share capital.

The issue will open for subscription on March 26 and close on March 28.

The price band for this IPO is between Rs 54 to 56 per share. LemonTree will raise a little over Rs 1,038 crore at the higher end of the price band.