

News monitored for: Lemon Tree Hotels

Lemon Tree sets IPO price band at ₹54-56

FE BUREAU
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LEMON TREE HOTELS, which operates in the mid-priced hotels sector, has set a price band of ₹54 to ₹56 for its initial public offering (IPO).

The IPO is an offer for sale of 18.54 crore shares, which at the upper price of the band will translate into an offer size of ₹1,038

crore. The offer will open on March 26 and close on March 28. Bids can be made for a minimum of 265 shares and multiples of 265 shares after that.

The 100% offer-for-sale constitutes 23.58% of the post-offer paid up equity share capital of the company.

The company will not receive any proceeds from the offer, and all the proceeds will go to the selling shareholders.

Private equity investor, Warburg Pincus, is among the prominent sellers in the offer.

As per its red herring prospectus, Lemon Tree is the ninth largest hotel chain in India in terms of owned, leased and managed rooms, as on June 30, 2017.

The company operates in the mid-priced hotel sector, consisting of the upper-midscale, midscale and economy hotel segments.