

News monitored for: Lemon Tree Hotels

Lemon Tree Hotels sets price band at ₹54-₹56

FC BUREAU

Mumbai

LEMON Tree Hotels announced a Rs 1,040 crore initial public offering in the price band of Rs 54-Rs 56 per equity share of Rs 10 face value.

The share issue by the largest mid-sized hotel chain opens on March 26 and closes on March 28.

The anchor investor bidding and allotment will take place on Friday, March 23.

Lemon Tree opened its first hotel in 2004 and has since expanded to 45 hotels in 28 cities with 4,697 rooms and over 5,000 employees as on January 31, 2018.

In the Indian hotel industry, about 50 per cent hotel rooms are managed by international chains.

Patanjali Govind Keswani, chairman and managing director, Lemon Tree Hotels, while launching the public offer, said, "From FY12 to FY16, the Indian hotel industry went through a lot of stress. Since last year the hotel occupancy rate in India has started picking up. Again by FY20-21 India may have a shortage of hotel rooms."

The IPO is an offer for sale of up to 185,749,400 shares by private equity investor Warburg Pincus and few other early investors. The offer constitutes 23.59 per cent of the post-offer paid-up equity share capital of the company, the promoters are not diluting their stake through this offer.