

Warburg to pump Rs 280 cr. in Lemon Tree

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US-based equity investment firm Warburg Pincus has picked up stake worth Rs 280 crore in the hospitality chain Lemon Tree Group, which has embarked on a Rs 500 crore expansion to set up nine new hotels in the next two years.

"We will be setting up nine new hotels in major towns of the country in the next two years and would invest Rs 500 crores in the expansion," Lemon Tree Hotels managing director. Patu Keswani said. He said the expansion would be funded partly through equity investment from private partners.

"Already Warburg Pincus has acquired a 26.5% stake in Lemon Tree for Rs 210 crore. We have also offloaded a similar stake to them in our planned economy hotel Red Fox Hotels for Rs 70 crore," Keswani said.

The company owns and manages two hotels in Gurgaon and plans to open to open a hotel chain under the brand name Red Fox Hotels.

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