

Lemon Tree bifurcates biz

US-BASED PRIVATE equity firm Warburg Pincus will acquire Dutch pension fund manager APG's entire 41.09% stake in Fleur and invest up to ₹960 crore of primary capital to support the growth of Fleur, Lemon Tree said.

This investment marks a renewed partnership between Warburg Pincus and Lemon Tree, following Warburg Pincus' earlier investment in the company in 2006, which supported its growth to a prominent hotel brand and platform, Lemon Tree said in a regulatory filing. The scheme, to be implemented through an NCLT-approved process, will reorganise the group's asset ownership and operating structure. The hotel assets currently owned by Lemon Tree will be transferred to Fleur, which will serve as the group's exclusive asset ownership and development company. Fleur will lead the group's all future hotel acquisitions and development, while Lemon Tree will transition to a fully asset-light model, focused on growing its hotel management, franchising and digital business. The scheme will also result in a listing of

RENEWED PARTNERSHIP

■ Lemon Tree Hotels to be pure-play hotel management and brand platform; subsidiary Fleur Hotels to own & develop hotels

■ Warburg Pincus to acquire APG's **41%** stake in Fleur, invest up to **₹960 crore** to support growth

■ Warburg Pincus had earlier invested in Lemon Tree in 2006, supporting its initial growth



Fleur's shares on NSE and BSE.

Patanjali Govind Keswani, founder of Lemon Tree Hotels, will serve as the executive chairman of Fleur Hotels and then in a non-executive role at Lemon Tree, the company said. "This scheme is intended to create a simplified, transparent, and growth-oriented structure for both companies, which we believe will enhance long-term value for our shareholders," Keswani said. "With the Indian hospitality industry at an inflection point, we look forward to leveraging Warburg Pincus' global network and deep real estate and

hospitality experience to scale responsibly, advance digital-led capabilities and embed sustainability as a core pillar of Lemon Tree's and Fleur's long-term growth journey," Keswani said. Anish Saraf, managing director, Warburg Pincus, said, "We are pleased to once again partner with Patu (Patanjali Keswani) and the Fleur leadership team to support the next chapter of growth for the platform. Lemon Tree has played a pioneering role in shaping India's mid-market hospitality segment, building a large scale, high-quality portfolio with strong brands and operating capabilities."