

# Warburg Set to Acquire 41.09% in Lemon Tree Arm Fleur Hotels

Deal gets board nods; buyer to make investment of up to ₹960 crore in Fleur

## Our Bureau

**New Delhi:** US private equity firm Warburg Pincus has agreed to buy a 41.09% stake in Lemon Tree Hotels' unit Fleur Hotels.

The deal entails Coastal Cedar Investment BV, an affiliate of Warburg Pincus, acquiring the stake from APG Strategic Real Estate Pool NV in Fleur.

Boards of both Lemon Tree Hotels and Fleur Hotels have approved the execution of a share purchase agreement for the transaction. The size of the deal wasn't disclosed.

Warburg would also make a primary investment of up to ₹960 crore in Fleur in tranches as part of a shareholder agreement towards supporting the latter's future business growth.

Lemon Tree said the approved composite scheme of arrangement is designed to simplify the group structure, enhance strategic focus, and unlock long-term value for shareholders.

The deal is subject to regulatory and shareholder approvals.

Lemon Tree said the proposed reorganisation will create two differentiated platforms—Lemon Tree Hotels, as an asset-light hotel management and brand platform, and Fleur Hotels, as a large-scale "growth-oriented" hotel ownership platform with development capabilities. The company said the investment marks a renewed partnership between Warburg Pincus and Lemon Tree, following Warburg Pincus' investment in the company in 2006, which supported the chain's initial growth.

The scheme, to be implemented through a National Company Law Tribunal (NCLT) approved process, will reorganise the group's asset ownership and operating structure.

