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NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra ordinary General Meeting of the shareholders of Lemon Tree Hotels Limited will be held on Friday, the 19th day of May, 2017 at Asset No. 6, Aerocity Hospitality District, New Delhi- 110037 at 03.00 P.M to transact the following businesses:

SPECIAL BUSINESS:

1. **To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the rules and regulations including the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, consent of the members of the company be and is hereby accorded to the Company to enter into an agreement with Bandhav Resorts Private Limited ('Related Party') for providing development management services for project of Bandhav Resorts Private Limited on such terms and conditions as detailed in the explanatory statement hereto.

RESOLVED FURTHER THAT Mr. Patanjali G. Keswani, Chairman & Managing Director, Mr. Rattan Keswani, Deputy Managing Director, Mr. Kapil Sharma, Chief Financial Officer and Mr. Inder Pal Batra, Authorised Signatory of the Company be and are hereby severally authorized to execute the agreement for rendering services to the Related Party in the form and substance as finalized with Related Party and to do such other acts, things, deeds as may be deemed essential and incidental for the purpose.”

2. **To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the rules and regulations including the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, consent of the members be and is hereby accorded to the Company to finalise, enter, execute the Conveyance/Sale deed with M/s Toucan Real Estates P Ltd ('Related Party') for acquisition of immovable property in the commercial complex at Sector 60, Village Ulhawas, Sohna, Dist Gurgaon for a total consideration upto a maximum of Rs. 23.89 crores.

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RESOLVED FURTHER THAT Mr. Rattan Keswani, Deputy Managing Director, Mr. Kapil Sharma, Chief Financial Officer, Mr. Nikhil Sethi, Group Company Secretary & GM Legal, Mr. Inder Pal Batra and Mr. Sandeep Kumar, Authorized Signatories of the Company be and are hereby severally authorized and empowered to get the said agreements registered with the concerned Registrar/sub-registrar and to represent, sign, execute and receive the necessary document(s), declaration(s), form(s), paper(s), deed(s) etc on behalf of the Company and to do all such act or things which are necessary, expedient or desirable in this connection."

3. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the rules and regulations including the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, consent of the members of the company be and is hereby accorded to the Company to avail services of Mrs. Sharanita Keswani as Marketing and Brand consultant for the Company on such terms and conditions as detailed in the explanatory statement hereto.

RESOLVED FURTHER THAT Mr. Rattan Keswani, Deputy Managing Director, Mr. Kapil Sharma, Chief Financial Officer and Mr. Inder Pal Batra, Authorised Signatory be and are hereby severally authorized to execute the fresh agreement or addendum to the existing agreement for availing services of the Related Party on the terms and conditions as agreed and to do such other acts, things, deeds as may be deemed essential and incidental for the purpose."

4. To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and the rules and regulations including the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions and rules thereto, consent of the members of the company be and is hereby accorded to the Company to enter into an addendum to the Hotel Operating Agreement executed for providing services for management and operation of existing and proposed Hotels with the Related Party(s) on such terms and conditions as detailed in the explanatory statement hereto.

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RESOLVED FURTHER THAT Mr. Rattan Keswani, Deputy Managing Director, Mr. Kapil Sharma, Chief Financial Officer, Mr. Nikhil Sethi, Group Company Secretary and GM Legal and Mr. Inder Pal Batra, Authorised Signatory of the Company be and are hereby severally authorized to execute the addendum(s) to the existing Hotel Operating Agreement for rendering services to the Related Party and to do such other acts, things, deeds as may be deemed essential and incidental for the purpose."

BY ORDER OF THE BOARD
For LEMON TREE HOTELS LIMITED

DATE: 29.03.2017

PLACE: New Delhi

Sd/-
NIKHIL SETHI
GROUP COMPANY SECRETARY & GM LEGAL

NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting under Item No. 1,2,3 & 4 is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and the proxy need not be a member of the company.** The proxy form duly completed and signed should reach the company's registered office not less than 48 hours before the commencement of the meeting. The Proxy Form for the EGM is enclosed herewith.
3. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. A Corporate Member intending to send its authorised representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.

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5. Members/Proxies/Authorised Representatives are requested to submit the attendance slips duly filled in for attending the Meeting. Members holding shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the General Meeting and at the venue of the Meeting for the duration of the Meeting.
7. Members holding shares are requested to kindly notify the Company of any change in their addresses/e-mail address so as to enable the Company to address future communication to their correct addresses.
8. A route map to the venue of the Extra Ordinary General Meeting is given at the end of notice.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the business under Item No. 1, 2,3 & 4 mentioned in the accompanying Notice.

ITEM NO. 1: APPROVAL FOR EXECUTION OF DEVELOPMENT MANAGEMENT AGREEMENT WITH BANDHAV RESORTS PRIVATE LIMITED

The members are apprised that Bandhav Resorts Private Limited (BRPL) is interested in availing services for managing the development/completion of the project of the Company located at Bandhavgarh(s). As of now, there are only 11 rooms in Lemon Tree Wildlife Resort, Bandhavgarh and it is proposed to increase the inventory to 33 rooms and for which the company shall provide development management services to BRPL on the terms and conditions as briefed herein below and as agreed mutually between the parties

The following disclosure(s) for rendering of any services to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

(a)	Name of the related party	Bandhav Resorts Private Limited
(i)	Nature of relationship	Step Down Subsidiary Company
(ii)	Nature, Duration of The Contract And Particulars Of The Contract Or Arrangement	Development Management Agreement for rendering services to Bandhav Resorts Private Limited for managing the development /completion of the Lemon Tree Wildlife Resort, Bandhavgarh ("Project") till the completion of the Project.
(iii)	Material terms, monetary value and particulars of the contract or arrangement;	<u>Development Management Fee</u> shall be 6% of the Total Development Cost of the Project as defined below. " Development Cost " means the costs and fees and expenses properly paid by the Company in relation to the development and/or renovation of the Hotel Project or Hotel Projects (as appropriate) as appropriate or as set out in the Development Budget excluding Land Cost, cost of financing and all fees or

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		<p>payments made to the Development Manager (whether for professional services or otherwise)</p> <p>The Company for providing the development management services may hire external vendors and consultants, without prior approval of Bandhav, for architecture, designing, interiors, horticulture, other services, and project management services for the Projects. Notwithstanding anything to the contrary contained herein, the costs and expenses in relation to such services of the external vendors and consultants shall be borne by Bandhav. It is clarified that (a) the costs and expenses in relation to such services shall aggregate to 9% of the Actual Development Costs, (which shall be paid through the Company) and (b) such costs and expenses shall not be considered for the purpose of calculation of the Development Management Fee.</p>
(iv)	Any Advance Paid Or Received For The Contract Or Arrangement, If Any	Nil
(v)	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the general trend in the industry for other development managers and is at the rates prevalent in the market for such services.
(vi)	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes

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(vii)	Any other information relevant or important for the members to take a decision on the proposed resolution	The transaction for entering into agreement for providing services with its related parties is on 'arm's length' basis and is advantageous for the Company considering the experience of the related party and shall be in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.
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None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends passing of the proposed Ordinary Resolution.

ITEM NO. 2: ACQUISITION OF IMMOVABLE PROPERTY(IES) LOCATED AT SECTOR 60, GURGAON FROM M/S TOUCAN REAL ESTATES PRIVATE LIMITED

The Shareholders of the Company at its meeting held on 30th March, 2016 accorded its approval for the execution of sale/conveyance deed for the acquisition of immovable property for Commercial Space being build in Sector-60, Village Ulhawas, Sohna, Dist Gurgaon, from the developer i.e. Toucan Real Estates Private Limited ('Related Party') for a total consideration upto a maximum of Rs. 22 crores.

Subsequent to the above approval, on account of cost escalation due to increase in renewal cost of licenses and other approvals, increase in labour cost etc, which were not factored earlier, the total cost of acquisition has been increased to Rs. 23.89 crores.

The following disclosure(s) for acquisition of properties from the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.

(i)	Name of the related party	Toucan Real Estate Private Limited ('Developer/Related Party')
	Nature of relationship	Mr. Patanjali G. Keswani, Chairman & Managing Director of the Company is a Director and Member of Related Party
(ii) &	Nature, Duration of The Contract And	Conveyance/Sale deed for acquisition of office space for the approx super built up area of 25,849 sq. ft. with 30

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(iii)	Particulars Of The Contract Or Arrangement and Material terms, monetary value and particulars of the contract or arrangement	car parking in the commercial complex at Sector-60, Gurgaon being developed by Toucan Real Estates P Ltd. ("Property") at a total consideration of Rs. 23.89 Crores. Apart from this, the transfer, stamp duty and other charges as applicable under the laws will have to be borne by the Company.
(iv)	Any Advance Paid Or Received For The Contract Or Arrangement, If Any	Rs. 22 Crore approx
(v)	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the market value of the property.
(vi)	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes
(vii)	Any other information relevant or important for the members to take a decision on the proposed resolution	NA

None of the Directors, other than those mentioned hereinabove, and key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

The Board recommends passing of the proposed Ordinary Resolution.

Lemon Tree Hotels Limited
(CIN No. U74899DL1992PLC049022)
Registered Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037
T +91 11 4605 0101, F +91 11 46050110. E hi@lemontreehotels.com www.lemontreehotels.com

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ITEM NO. 3: APPROVAL FOR REVISION IN THE TERMS OF THE SERVICE RENDERED BY MRS. SHARANITA KESWANI AS MARKETING AND BRAND CONSULTANT

The Shareholders of the Company at its meeting held on 30th July, 2015 accorded its approval for appointment of Mrs. Sharanita Keswani, relative of Mr. Aditya Madhav Keswani (Director), as a Marketing and Brand consultant for a period starting from 1st August, 2015 to 31st March, 2018 on professional fees of Rs. 42 Lacs p.a in terms of the Board's and Shareholder's approval in their meeting held on 17th June, 2015 and 30th July, 2015 respectively.

The members are further apprised that it is proposed to increase the professional fees from Rs. 42 Lacs p.a to Rs. 50.40 Lacs p.a w.e.f 1st April, 2017 and further proposing to extend the term of the agreement for a further period of 2 years i.e the term will expire on 31.03.2020.

The following disclosure(s) for availing or rendering of any services from or to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

(i)	Name of the related party	Mrs. Sharanita Keswani
	Nature of relationship	Relative of Mr. Aditya Madhav Keswani
(ii)	Nature, Duration of The Contract And Particulars Of The Contract Or Arrangement	Service Agreement, for availing her professional services as Marketing and Brand Consultant for the Company, for the remaining tenure of 3 years
(iii)	Material terms, monetary value and particulars of the contract or arrangement;	The fee for the said services for the remaining tenure shall be paid within 15 days of receipt of the invoice and the total fee payable in a year shall not exceed Rs. 50.40 Lacs for the financial year 2017-18 to F.Y 2019-20
(iv)	Any Advance Paid Or Received For The Contract Or Arrangement, If Any	Nil

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(v)	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the general trend in the hospitality industry for availing such services
(vi)	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes
(vii)	Any other information relevant or important for the members to take a decision on the proposed resolution	NA

The shareholders consent is sought to authorize the Company to enter into Agreement with Mrs. Sharanita Keswani on the revised terms. None of the Directors, other than those mentioned hereinabove, and key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

The Board of Directors recommends the ordinary resolution for your approval.

ITEM NO. 4: APPROVAL FOR EXECUTION OF ADDENDUM TO THE HOTEL OPERATING AGREEMENT

The members are apprised that the Company is operating and managing various hotel properties of its subsidiary companies including step down subsidiary at various locations, under the Company's brand name by executing Hotel Operating Agreement (HOA), respectively for each Hotel.

The members are further apprised that in accordance with terms of the HOA, the Company is incurring costs towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the

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Company in the interest of the Hotels and related party reimburses pro-rated costs on monthly basis @ 1.5% of the Gross Income of the Hotel(s) for such expenses incurred by the Company which is proposed to be increased to 3% of the Gross Income of the Hotel which will be trued up at the end of each financial year.

The following disclosure(s) for availing or rendering of any services from or to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

(i)	Name of the related party	M/s Begonia Hotels Private Limited M/s Nightingale Hotels Private Limited M/s Fleur Hotels Private Limited M/s Bandhav Resorts Private Limited M/s Celsia Hotels Private Limited M/s Inovia Hotels and Resorts Limited Ms/ Hyacinth Hotels Private Limited
	Nature of relationship	Subsidiary Company(s)
(ii)	Nature, Duration of The Contract And Particulars Of The Contract Or Arrangement	Addendum(s) to the Hotel Operating Agreement, executed for rendering Hotel Operating and Management services for operating the Hotel(s) of the Related Party for the remaining tenure of the respective Hotel Operating Agreement.
(iii)	Material terms, monetary value and particulars of the contract or arrangement;	The fees for the said services shall remain the same except the increase in the reimbursement of the costs incurred towards advertising, call center's, sales promotion, public relations and personnel training programmes, sales and reservation networks and facilities (such as web-sites, reservations network, loyalty programmes, etc.) which are being administered by the Company in the interest of the Hotels. The Related party will reimburse the cost upto the maximum of 3% of the Gross Income of the Hotel on monthly basis. Such cost will be trued up at the end of each Financial year

Lemon Tree Hotels Limited

(CIN No. U74899DL1992PLC049022)

Registered Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

T +91 11 4605 0101, F +91 11 46050110. E hi@lemontreehotels.com www.lemontreehotels.com

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(iv)	Any Advance Paid Or Received For The Contract Or Arrangement, If Any	Nil
(v)	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the general trend in the hospitality industry for availing such services
(vi)	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes
(vii)	Any other information relevant or important for the members to take a decision on the proposed resolution	NA

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested in the resolution except the common directors.

The Board of Directors recommends the ordinary resolution for your approval.

BY ORDER OF THE BOARD
For LEMON TREE HOTELS LIMITED

DATE: 29.03.2017
PLACE: NEW DELHI

Sd/-
NIKHIL SETHI
GROUP COMPANY SECRETARY & GM LEGAL

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U74899DL1992PLC049022

Name of the company: LEMON TREE HOTELS LIMITED

Registered office: ASSET NO. 6, AEROCITY HOSPITALITY DISTRICT, NEW DELHI-110037

Name of the member(s):

Registered address:

Email Id:

Folio No./Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the company, to be held on Friday, the 19th day of May, 2017 at 03.00 P.M at Asset No. 6, Aerocity Hospitality District, New Delhi-110037 and at any adjournment thereof.

I direct my Proxy to vote on the resolutions in the manner as indicated below:

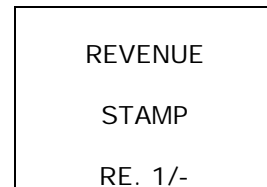
Resolutions For/Against

AGENDA	VOTING INSTRUCTIONS
Item No. 1 (of the notice for EGM, dated 29 th March, 2017)	
Item No. 2 (of the notice for EGM, dated 29 th March, 2017)	
Item No. 3 (of the notice for EGM, dated 29 th March, 2017)	
Item No. 4 (of the notice for EGM, dated 29 th March, 2017)	

Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)



Note:

1. The Proxy to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. This form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
6. This is optional. Please put For/Against in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular Resolution, he/she should write "Abstain" across the boxes against the Resolution.

LEMON TREE HOTELS LIMITED

CIN: U74899DL1992PLC049022

Regd. Office: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

Telephone No.: 011-46050101; Fax: 011-46050110

Website: hi@lemontreehotels.com; www.lemontreehotels.com

**ATTENDANCE SLIP
EXTRA ORDINARY GENERAL MEETING**

Date: 19th May, 2017; Time: 03.00 P.M

Venue: Asset No. 6, Aerocity Hospitality District, New Delhi-110037

I / We hereby record my/our presence at the Extra Ordinary General Meeting of the Company at Asset No. 6, Aerocity Hospitality District, New Delhi-110037 on Friday, May 19, 2017 at 03.00 P.M.

Member's Folio

Member's/Authorised
Representative/Proxy's
name in Block Letters

Member's/Authorised
Representative/Proxy's
Signature

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
3. Electronic copy of Notice of the Extra Ordinary General Meeting (EGM) alongwith proxy form and the attendance slip and has been/is being sent to all the members whose email address is registered with the Company unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the EGM can print copy of this Attendance Slip.
4. Physical copy of the Notice of the EGM along with the proxy form and attendance slip is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ROUTE MAP

