



# LEMON TREE HOTELS LIMITED

Our Company was incorporated as "P.M.G Hotels Private Limited" on June 2, 1992, as a private limited company under the Companies Act 1956, at New Delhi, with a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"). Pursuant to a resolution of our shareholders dated December 13, 2002, the name of our Company was changed to "Krizm Hotels Private Limited" and a fresh certificate of incorporation was issued by the RoC on January 7, 2003, pursuant to such change in our name. Further, pursuant to a resolution of our shareholders dated June 2, 2010, the name of our Company was changed to "Lemon Tree Hotels Private Limited" and a fresh certificate of incorporation consequent to change in name was issued by the RoC on January 10, 2010. On the conversion of our Company to a public limited company pursuant to a resolution passed by our shareholders on September 29, 2012, our name was changed to "Lemon Tree Hotels Limited" and a fresh certificate of incorporation was issued by the RoC on October 22, 2012. For details of changes in name and registered office of our Company, see "History and Certain Corporate Matters" on page 172 of the prospectus dated April 2, 2018 ("Prospectus").

Corporate Identity Number: U74899DL1992PLC049022; Registered and Corporate Office: Asset No. 6, Aerocity Hospitality District, New Delhi 110 037, India; Tel: +91 11 4605 0101; Facsimile: +91 11 4605 0110;  
Contact Person: Mr. Nikhil Sethi, Group Company Secretary & General Manager Legal and Compliance Officer; Tel: +91 11 4605 0122; Facsimile: +91 11 4605 0110; E-mail: sectdept@lemontreehotels.com; Website: www.lemontreehotels.com

## OUR PROMOTERS: MR. PATANJALI GOVIND KESWANI AND SPANK MANAGEMENT SERVICES PRIVATE LIMITED

Our Company has Registered the Prospectus with the RoC and the Equity Shares are proposed to be listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and the trading will commence on April 9, 2018.

## BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 185,479,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF LEMON TREE HOTELS LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 56 PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING ₹ 10,386.85 MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF 94,500,053 EQUITY SHARES AGGREGATING TO ₹ 5,292.00 MILLION BY MAPLEWOOD INVESTMENT LTD ("MAPLEWOOD"), 25,320,584 EQUITY SHARES AGGREGATING TO 1,417.95 MILLION BY RJ CORP LIMITED ("RJ CORP"), 13,999,416 EQUITY SHARES AGGREGATING TO ₹ 783.97 MILLION BY RAVI KANT JAIPURIA AND SONS (HUF) ("RKJ HUF"), 6,986,180 EQUITY SHARES AGGREGATING TO ₹ 391.23 MILLION BY WHISPERING RESORTS PRIVATE LIMITED ("WHISPERING RESORTS"), 883,440 EQUITY SHARES AGGREGATING TO ₹ 49.47 MILLION BY SWIFT BUILDERS LIMITED ("SWIFT BUILDERS"), 23,649,816 EQUITY SHARES AGGREGATING TO ₹ 1,324.39 MILLION BY FIVE STAR HOSPITALITY INVESTMENT LIMITED ("FIVE STAR"), 19,159,911 EQUITY SHARES AGGREGATING TO ₹ 1,072.96 MILLION BY PALMS INTERNATIONAL INVESTMENTS LIMITED ("PALMS INTERNATIONAL"), 480,000 EQUITY SHARES AGGREGATING TO ₹ 26.88 MILLION BY MR. SATISH CHANDER KOHLI AND 500,000 EQUITY SHARES AGGREGATING TO ₹ 28.00 MILLION BY MR. RAJ PAL GANDHI (TOGETHER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"), THE OFFER CONSTITUTES 23.59% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Offer Price: ₹ 56 per Equity Share of face value of ₹10 each  
The Offer Price is 5.6 times the face value | Anchor Investor Offer Price: ₹ 56 per Equity Share

### Risk to Investors

- The four Merchant Bankers associated with the Offer have handled thirty six public issues in the past three years, out of which twelve issues closed below the issue price on listing date.
- The Price/Earnings ratio based on diluted EPS on restated consolidated basis for FY17 for the Issuer is not measurable as EPS is negative as compared to the average industry peer group PE ratio of 90.6.
- Average cost of acquisition of Equity Shares for the Selling Shareholders is in the range of ₹ 4.17 to ₹ 17.18 per Equity Share and the Offer Price at upper end of the price band is ₹ 56.
- Weighted Average Return on Net Worth for last three financial years on restated consolidated basis is negative i.e. -1.89%.

## BID/OFFER PROGRAMME

## OPENED ON MARCH 26, 2018 | CLOSED ON MARCH 28, 2018 ANCHOR INVESTOR BID/OFFER PERIOD: MARCH 23, 2018

The Offer has been made in terms of Rule 19(2)(b) (iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"). It has been made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") through the Book Building Process, wherein not more than 50% of the Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company and Maplewood, in consultation with the GCBLRMs and the BRLM, allocated 60% of the QIB Category to Anchor Investors (the "Anchor Investor Portion") on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors, which price was determined by the Company and Maplewood in consultation with the GCBLRMs and the BRLM. 5% of the QIB Category (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category was made available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was made available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than Anchor Investors, were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which the Bid Amount was blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors were not permitted to participate in the Anchor Investor Portion through ASBA process. For details, see "Offer Procedure" on page 555 of the Prospectus.

The bidding for Anchor Investors opened and closed on March 23, 2018. The company received 20 applications from 18 Anchor Investors (which included two mutual funds out of which one mutual fund had applied through a total of three schemes) for 57,559,590 Equity Shares. The Anchor investor price was finalized at ₹ 56 per Equity Share. A total of 55,643,820 shares were allocated under the Anchor Investor Portion aggregating to ₹ 3,116.05 million. The Offer received 17,759 applications for 211,873,330 Equity Shares (prior to technical rejections) resulting in 1.1423 times subscription. The details of the applications received in the Offer from various categories are as under (prior to technical rejections):

SI No.	Category	No. of Applications	No. of Equity Shares applied	Shares Reserved as per Prospectus	No. of times Subscribed	Amount (₹)
A	Retail Individual Bidders	17,648	6,952,805	64,917,790	0.1071	389,465,562.00
B	Non Institutional Bidders	66	3,210,210	27,821,910	0.1154	179,704,450.00
C	Qualifies Institutional Bidders (Excluding Anchor Investors)	25	144,150,725	37,095,880	3.8859	8,072,440,600.00
D	Anchor Investors	20	57,559,590	55,643,820	1.0344	3,223,337,040.00
	<b>Total</b>	<b>17,759</b>	<b>211,873,330</b>	<b>185,479,400</b>	<b>1.1423</b>	<b>11,864,947,652.00</b>

### Final Demand

A summary of the final demand as per the NSE and BSE as on the Bid/Offer Closing Date at different Bid prices is as under:

SI No	Bid Price	Bids Quantity	(%) To Total	Cumulative Total	% Cumulative Total
1	54	305,810	0.20	305,810	0.20
2	55	153,170	0.10	458,980	0.30
3	56	148,419,875	95.64	148,878,855	95.93
4	CUTOFF	6,314,950	4.07	155,193,805	100.00
	<b>TOTAL</b>	<b>155,193,805</b>	<b>100.00</b>		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being the NSE on April 04, 2018.

### A. Allotment to Retail Individual Bidders (after technical rejections)

The Basis of Allotment to the Retail Individual Bidders, who have bid at the Cut-Off Price or at the Offer Price of ₹ 56 per Equity Share, was finalized in consultation with the NSE. This category has been subscribed to the extent of 0.102130 times. The total number of Equity Shares Allotted in Retail Category is 6,630,035 Equity Shares to 16,763 successful Retail Individual Bidders. The category-wise details of the Basis of Allotment are as under:

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% to Total	No. of Equity Shares allotted per applicant	Ratio	Total No. of Equity Shares allotted
265	13,980	83.40	3,704,700	55.88	265	1:1	3,704,700
530	1,503	8.97	796,590	12.01	530	1:1	796,590
795	350	2.09	278,250	4.20	795	1:1	278,250
1060	319	1.90	338,140	5.10	1060	1:1	338,140
1325	115	0.69	152,375	2.30	1325	1:1	152,375
1590	68	0.41	108,120	1.63	1590	1:1	108,120
1855	69	0.41	127,995	1.93	1855	1:1	127,995
2120	31	0.18	65,720	0.99	2120	1:1	65,720
2385	7	0.04	16,695	0.25	2385	1:1	16,695
2650	74	0.44	196,100	2.96	2650	1:1	196,100
2915	4	0.02	11,660	0.18	2915	1:1	11,660
3180	13	0.08	41,340	0.62	3180	1:1	41,340
3445	230	1.37	792,350	11.95	3445	1:1	792,350
	<b>TOTAL</b>	<b>16,763</b>	<b>100.00</b>	<b>6,630,035</b>	<b>100.00</b>		<b>6,630,035</b>

Unsubscribed portion of 58,287,755 Equity Shares were spilled over to QIB category.

### B. Allotment to Non-Institutional Bidders (After Technical Rejections)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 56 per Equity Share or above, was finalized in consultation with the NSE. The Non-Institutional Category has been subscribed to the extent of 0.114022 times. The total number of Equity Shares Allotted in this category is 3,172,315 Equity Shares to 62 successful Non-Institutional Bidders. The category-wise details of the Basis of Allotment are as under:

Category	No. of Applications Received	% of Total	Total No. of Equity Shares applied	% of Total	No. of Equity Shares allotted per applicant	Ratio	Total No. of Equity Shares allotted
3710	26	41.94	96,460	3.04	3710	1:1	96,460
3975	1	1.61	3,975	0.13	3975	1:1	3,975
5300	7	11.29	37,100	1.17	5300	1:1	37,100
6095	1	1.61	6,095	0.19	6095	1:1	6,095
6625	1	1.61	6,625	0.21	6625	1:1	6,625
7950	1	1.61	7,950	0.25	7950	1:1	7,950
8745	1	1.61	8,745	0.28	8745	1:1	8,745
9010	2	3.23	18,020	0.57	9010	1:1	18,020
10070	1	1.61	10,070	0.32	10070	1:1	10,070
10600	2	3.23	21,200	0.67	10600	1:1	21,200
14310	1	1.61	14,310	0.45	14310	1:1	14,310
17490	1	1.61	17,490	0.55	17490	1:1	17,490
17755	2	3.23	35,510	1.12	17755	1:1	35,510
19875	1	1.61	19,875	0.63	19875	1:1	19,875
23850	1	1.61	23,850	0.75	23850	1:1	23,850
26500	3	4.84	79,500	2.51	26500	1:1	79,500

Category	QIB	FIs/Banks	FPI/FII	MFs	ICs	NBFC	Others	Total
26765	1	1.61	26,765	0.84	26765	1:1	26,765	
89040	1	1.61	89,040	2.81	89040	1:1	89,040	
151580	1	1.61	151,580	4.78	151580	1:1	151,580	
178345	1	1.61	178,345	5.62	178345	1:1	178,345	
356160	1	1.61	356,160	11.23	356160	1:1	356,160	
356955	4	6.45	1,427,820	45.01	356955	1:1	1,427,820	
535830	1	1.61	535,830	16.89	535830	1:1	535,830	
	<b>TOTAL</b>	<b>62</b>	<b>100.00</b>	<b>3,172,315</b>	<b>100.00</b>			<b>3,172,315</b>

Unsubscribed portion of 24,649,595 Equity Shares were spilled over to QIB category.

### C. Allotment to QIBs (Excluding Anchor Investors)

Allotment to QIBs (Excluding Anchor Investors), who have Bid at the Offer Price of ₹56 per Equity Share or above, has been done on a proportionate basis in consultation with the NSE. This category has been subscribed to the extent of 1.200923 times of QIB Portion (Including spill over from NII and Retail category). As per the SEBI Regulations, Mutual Funds were Allotted 5% of the Equity Shares of QIB Portion available i.e. 6,001,662 Equity Shares (Including spill over from NII and Retail category) and other QIBs, including Mutual Funds were Allotted the remaining available Equity Shares i.e. 114,031,568 Equity Shares (Including spill over from NII and Retail category) on a proportionate basis. The total number of Equity Shares Allotted in the QIB Portion is 120,033,230 Equity Shares, which were allotted to 25 successful QIB Bidders. The category-wise details of the Basis of Allotment are as under:

Category	FIs/Banks	FPI/FII	MFs	ICs	NBFC	Others	Total
QIB	0	73,289,275	46,740,893	0	0	3,062	120,033,230

Includes spillover of 82,937,350 Equity Shares from NII category and Retail Category Portions.

### D. Allotment to Anchor Investors

The Company and Maplewood, in consultation with the GCBLRMs and the BRLM, have allocated 55,643,820 Equity Shares to 20 Anchor Investors at the Anchor Investor Offer Price of ₹ 56 per Equity Share in accordance with the SEBI Regulations. This represents 60% of the QIB Category.

Category	FIs/Banks	MFs	ICs	AIF	FPI	OTH	Total
Anchor	-	16,218,795	-	-	39,425,025	-	55,643,820

The IPO Committee of the Company on April 05, 2018 has taken on record the Basis of Allotment of Equity Shares as approved by the Designated Stock Exchange, being NSE and has allotted the Equity Shares to various successful Bidders. The Allotment Advice and/or notices are being dispatched to the address of the investors as registered with the depositories. Further, the instructions to the Self Certified Syndicate Banks for unblocking of funds, transfer to Public Offer Account have been issued on April 04, 2018 and payment to non-Syndicate brokers have been issued on April 6, 2018. In case the same is not received within ten days, investors may contact the Registrar to the Offer at the address given below. The Equity Shares Allotted to the successful Allottees have been uploaded on April 05, 2018 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. The Company has filed the Listing applications with NSE and BSE on April 5, 2018. The Company has received listing and trading approvals from NSE and BSE and the trading will commence on April 9, 2018.

All capitalised terms used and not specifically defined herein shall have the same meaning as ascribed to them in the Prospectus.

### INVESTORS PLEASE NOTE

The details of the allotment made have been hosted on the website of the Registrar to the Offer, Karvy Computershare Private Limited at <https://karisma.karvy.com>. All future correspondence in this regard may kindly be addressed to the Registrar to the Offer quoting full name of the first/sole Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and a copy of the Acknowledgment Slip received from the Designated Intermediary at the address of Registrar.

## KARVY Computershare

### Karvy Computershare Private Limited

Karvy Selenium Tower - B, Plot 31 and 32, Gachibowli, Financial District, Nanakramguda

Hyderabad 500 032, Telangana, India

Tel: +91 40 6716 2222

Facsimile: +91 40 2343 1551

Email: [lemontree.ipo@karvy.com](mailto:lemontree.ipo@karvy.com)

Investor Grievance e-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Website: [www.karisma.karvy.com](http://www.karisma.karvy.com)

Contact Person: Mr. M. Muralikrishna

SEBI Registration No.: INR000000221

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF LEMON TREE HOTELS LIMITED.

For LEMON TREE HOTELS LIMITED  
On behalf of Board of Directors

Date: April 6, 2018

Place: New Delhi

Sd/-  
Group Company Secretary & General Manager Legal and Compliance Officer

**DISCLAIMER CLAUSE OF THE BSE:** It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the Prospectus. The investors are advised to refer to page 542 of the Prospectus for the full text of the "Disclaimer clause of the BSE".

**DISCLAIMER CLAUSE OF THE NSE:** It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 543 of the Prospectus for the full text of the "Disclaimer clause of the NSE".

Lemon Tree Hotels Limited has registered the Prospectus with the RoC which was approved on April 3, 2018. The Prospectus is available on the websites of SEBI, BSE, NSE at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com), and the websites of the GCBLRMs at [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com), [www.india.cisa.com](http://www.india.cisa.com), and the website of the BRLM at [www.yesinvest.in](http://www.yesinvest.in), respectively. Any potential investors should note that investment in Equity Shares involves a high degree of risk and for details relating to the same, please refer to the Prospectus including the section titled "Risk Factors" on page 15 of the Prospectus. Potential investors should rely on the DRHP filed with SEBI for making any investment decision.

This announcement has been prepared for publication in India and may not be released in the United States. The announcement is not an offer to sell or a solicitation of any offer to buy securities of our Company in the United States. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of each jurisdictions where such offers and sales are made. There will be no public offering in the United States.