LEMON TREE HOTELS LIMITED

PUBLIC OFFERING OF UP TO 65,476,563 SHARE OF FACE VALUE OF ₹1 EACH (THE "EQUITY SHARES") OF LEMON TREE HOTELS LIMITED ("COMPANY" OR THE "COMPANY") BY THE RESULTANT ENTITY AND FOR CASH A PRICE OF ₹70 PER EQUITY SHARE ("OFFER PRICE") FROM THE PUBLIC, THROUGH THE BOOK-BUILDING METHOD ("OFFER FOR SALE") AS PER THE OFFER DOCUMENT ("OFFER DOCUMENT"), UNDER SECTION 62(2) OF THE COMPANIES ACT, 2013.

OUR PROMOTERS: MR. PANATULGI GOUJU KESWANI AND SPANK MANAGEMENT SERVICES PRIVATE LIMITED

0.5% OF THE FUND RAISED FROM THE PUBLIC ISSUE (UP TO ₹3,273.88 CRORE) WILL BE INVESTED IN SUBSCRIPTIONS TO SMALL- AND MEDIUM-SIZED ENTREPRENEURS ("SMES") AS PER THE OFFER DOCUMENT.

Risk to Investors

I. The four Merchant Bankers associated with the Offer have handled thirty six public issues, out of which twelve issues closed below the issue price on listing date.

II. 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 90.8.

III. Average cost of acquisition of Equity Shares for the Selling Shareholders is in the range of ₹147.10 to ₹175.30 per Equity Share and the Offer Price at upper end of the price band is ₹56.

IV. Weighted Average Return on Net Worth for last three financial years on restated consolidated basis is negative i.e. -1.89%.

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Price Band: ₹56 to ₹56 per Equity Share of face value of ₹1 each. The Floor Price is 5.4 times the face value and the Cap Price is 5.5 times the face value.

Bids can be made for a minimum of 264 Equity Shares and in multiples of 264 Equity Shares thereafter.

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Note: The Offer price is subject to variation as per the requirement of the Offer Document.

Closes Today

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