LEMON TREE HOTELS LIMITED

Our Company is proposing up to 256 Equity Shares in the offer of sale of the Equity Shares through the RHP. The Price Band is ₹54 to ₹66 per Equity Share. The Price is set through an Offer Price as per the Price Band. LTHL may accept or reject the Applications on full or part basis, subject to the applicable regulatory and exchange guidelines. For details, see "Price Band" on page 16 of the RHP.

The Price Band has been determined by our Company and Maplewood, in consultation with the GCBRLMs, the BRLM, and the Regulator. The Price Band has been arrived at on the basis of the following factors and parameters. The Price of the Equity Shares and the Offer Price could vary from time to time and may not necessarily be a representative indication to the market price of the Equity Shares.

The Price Band is not the Offer Price. The Offer Price is determined by our Company, Maplewood, and SEBI, in consultation with the GCBRLMs, the BRLM, and the Regulator and will be announced by us. For details, see "Offer Price" on page 171 of the RHP.

The RHP is subject to the regulatory and exchange approval. The RHP shall be made available on the website of SEBI at www.sebi.gov.in, BSE at bseindia.com and NSE at www.nseindia.com, respectively.

Note: LTHL is a leading hotel company in India. For details, see "Business" on page 49 of the RHP.

Bids/Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bids/Applicants may be included in the list of the QIBs. Further, the Bids/Applicants may be included in the list of the Anchor Investors. For details, see "Offer Procedure" on page 120 of the RHP.

Risk to Investors

I. 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.

II. The Price/Earnings ratio based on diluted EPS on restated consolidated basis for FY17 is not measurable as EPS is negative as compared to the average industry peer group PE ratio of 90.6.

III. Average cost of acquisition of Equity Shares for the Selling Shareholders is in the range of ₹4.11 to ₹11.16 per Equity Share and the Offer Price at upper end of the price band is ₹66.

IV. Weaknesses in the past three financial years occurred in consolidated financial statements.

The RHP is subject to the regulatory and exchange approval. For details, see "Regulatory" on page 171 of the RHP. The Offer Price is determined by our Company, Maplewood, and SEBI, in consultation with the GCBRLMs, the BRLM, and the Regulator and will be announced by us. For details, see "Offer Price" on page 171 of the RHP.

The offer is being made in accordance with Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended.