



lemon tree[®]
HOTELS

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 June 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 red herring prospectus dated March 14, 2018 filed with the RoC ("RHP").

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

INITIAL PUBLIC OFFERING OF UP TO 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 ₹ [] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 94,500,053 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY MAPLEWOOD INVESTMENT LTD ("MAPLEWOOD"), UP TO 25,320,584 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY RJ CORP LIMITED ("RJ CORP"), UP TO 13,999,416 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY RAVI KANT JAIPURIA AND SONS (HUF) ("RKJ HUF"), UP TO 6,986,180 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY WHISPERING RESORTS PRIVATE LIMITED ("WHISPERING RESORTS"), UP TO 883,440 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY SWIFT BUILDERS LIMITED ("SWIFT BUILDERS"), UP TO 23,649,816 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY FIVE STAR HOSPITALITY INVESTMENT LIMITED ("FIVE STAR"), UP TO 19,159,911 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY PALMS INTERNATIONAL INVESTMENTS LIMITED ("PALMS INTERNATIONAL"), UP TO 480,000 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY MR. SATISH CHANDER KOHLI AND UP TO 500,000 EQUITY SHARES AGGREGATING TO ₹ [] MILLION BY MR. RAJ PAL GANDHI (TOGETHER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO 23.59% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Price Band: ₹ 54 to ₹ 56 per Equity Share of face value of ₹ 10 each.

The Floor Price is 5.4 times the face value and the Cap Price is 5.6 times the face value.

Bids can be made for a minimum of 265 Equity Shares and in multiples of 265 Equity Shares thereafter.

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 for the Issuer 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 ₹ 4.17 to ₹ 17.18 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%.

BID/OFFER PERIOD

OPENS ON MONDAY, MARCH 26, 2018* | CLOSES ON WEDNESDAY, MARCH 28, 2018

* Our Company and Maplewood, in consultation with the GCBRLMs and the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

ASBA*

Simple, Safe, Smart way of Application - Make use of it!!!

Mandatory in public issue from January 1, 2016. No cheque will be accepted.

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For further details, check section on ASBA below.

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the GCBRLMs and the BRLM, and at the terminals of the members of the Syndicate and by intimation to Self-Certified Syndicate Banks ("SCSBs"), the Registered Brokers, Collecting Registrar and Share Transfer Agents ("CRTAs") and Collecting Depository Participants ("CDPs").

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"). It is being 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 shall be 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 GCBRLMs and the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors (the "Anchor Investor Portion") on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and Maplewood in consultation with the GCBRLMs and the BRLM. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be 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 shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders 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, shall mandatorily 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 will be blocked by the Self Certified Syndicate Banks ("SCSBs"). Anchor Investors are not permitted to participate in the Anchor Investor Portion through ASBA process. For details, see "*Offer Procedure*" on page 555 of the RHP.

Bidders/Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicants may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any

requested Demographic Details of the Bidder/Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants sole risk. Bidders/Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects and other objects of our Company, see "*History and Certain Corporate Matters*" on page 172 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "*Material Contracts and Documents for Inspection*" on page 608 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital Structure: The authorised, issued, subscribed and paid up share capital of our Company as on the date of the RHP is as follows: The authorised share capital of our Company is ₹ 10,028,900,000 divided into 1,001,440,000 Equity Shares of face value ₹ 10 each and 145,000 5% Cumulative Redeemable Preference Shares of face value of ₹ 100 each. The issued, subscribed and paid up share capital of our Company is ₹ 7,864,126,830 divided into 786,412,683 Equity Shares of face value of ₹ 10 each. For further details, see "*Capital Structure*" on page 74 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: The signatories of the Memorandum of Association are Mr. Prem Nath Kapur and Ms. Nirupama Kapur who subscribed to 10 Equity Shares each of our Company. The liability of the members of the Company is limited. For details of the main objects of the Company as contained in the Memorandum of Association, see "*History and Certain Corporate Matters*" on

page 172 of the RHP.

Listing: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters both dated September 27, 2017. For the purposes of this Offer, NSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date. For details, see "*Material Contracts and Documents for Inspection*" on page 608 of the RHP.

Disclaimer Clause of the SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 534 of the RHP for the full text of the Disclaimer Clause of SEBI.

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 RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 543 of the RHP for the full text of the Disclaimer Clause of the BSE.

Disclaimer Clause of the NSE (the Designated Stock Exchange): 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 RHP for the full text of the Disclaimer Clause of NSE.

General Risks: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 16 of the RHP.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS			BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Tel: +91 22 4336 0000 Facsimile: +91 22 6713 2447 E-mail: lthl.ipo@kotak.com Investor grievance E-mail: kmcaddressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration No.: INM000008704	CLSA India Private Limited 8/F, Dalamal House, Nariman Point Mumbai 400 021, Maharashtra, India Tel: +91 22 6650 5050 Facsimile: +91 22 2284 0271 E-mail: lemontree.ipo@cticlcsa.com Investor grievance E-mail: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact person: Mr. Ankur Garg SEBI Registration No: INM000010619	J.P. Morgan India Private Limited J.P. Morgan Tower, Off. C.S.T. Road, Kalina Santaacruz (East), Mumbai 400 098 Maharashtra, India Tel.: +91 22 6157 3000; Facsimile: +91 22 6157 3911 Email: lemontree_ipo@jpmorgan.com Website: www.jpiml.com Investor grievance email: investorsmb.jpiml@jpmorgan.com Contact Person: Ms. Prateeksha Runwal SEBI Registration. No.: INM000002970	YES Securities (India) Limited IFC, Tower 1&2, Unit No. 602 A, 6th floor Senapati Bapat Marg, Elphinstone (W) Mumbai 400 013, Maharashtra, India Tel.: +91 22 7100 9829; Facsimile: +91 22 2421 4508 E-mail: lemontree.ipo@yesscuritiesltd.in Investor grievance e-mail: igg@yesscuritiesltd.in Website: www.yesinvest.in Contact Person: Mr. Mukesh Garg SEBI Registration No.: MB/INM000012227	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 Investor Grievance e-mail: einward.ris@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M. Muralikrishna SEBI Registration No.: INR000002221
GROUP COMPANY SECRETARY & GENERAL MANAGER LEGAL AND COMPLIANCE OFFICER 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			Investors can contact the Group Company Secretary & General Manager Legal and Compliance Officer, the GCBRLMs, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, and non-receipt of funds by electronic mode.	

Availability of RHP: Investors are advised to refer to the RHP, and the "*Risk Factors*", beginning on page 16 of the RHP therein, before applying in the Offer. Full copy of the RHP is available on the websites of SEBI at www.sebi.gov.in, the websites of the Global Co-ordinators and Book Running Lead Managers, Book Running Lead Manager and the Stock Exchanges at www.investmentbank.kotak.com, www.india.clsa.com, www.jpiml.com, www.yesinvest.in, www.bseindia.com and www.nseindia.com, respectively.

Availability of Bid-cum-Application Forms: Bid-cum-Application Forms can be obtained from the Registered Office of our Company, **Lemon Tree Hotels Limited, Tel.:** +91 11 4605 0101, **Facsimile:** +91 11 4605 0110; the Global Co-ordinators and Book Running Lead Managers i.e. **Kotak Mahindra Capital Company Limited, Tel.:** +91 22 4336 0000, **Facsimile:** +91 22 6713 2447, **CLSA India Private Limited, Tel.:** +91 22 6650 5050, **Facsimile:** +91 22 2284 0271, **J.P. Morgan India Private Limited, Tel.:** +91 22 6157 3911; the Book Running Lead Manager i.e. **YES Securities (India) Limited, Tel.:** +91 22 7100 9829, **Facsimile:** +91 22 2421 4508; and the Syndicate Member: **Kotak Securities Limited, Tel.:** +91 22 6218 5470, **Facsimile:** +91 22 6661 7041, and at selected location of the sub-syndicate members (as given below), Registered Brokers, CRTAs and CDPs participating in the Offer. Bid-cum-Application Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Achievers Equities Limited, Amit Jasani Financial Services Private Limited, Amrapali Capital & Finance Services Ltd., Anand Rathi Share & Stock Brokers Ltd., Ashika Stock Broking Ltd., Axis Capital Limited, Centrum Broking Limited, Dalal & Broacha Stock Broking Private Limited, Edelweiss Broking Limited, Eureka Stock & Share Broking Services Limited, ICICI Securities Limited, India Infoline Limited, JM Financial Services Limited, Karvy Stock Broking Limited, KJM Capital Market Services Limited, Lakshminshree Investment & Securities (P) Limited, LKP Securities Limited, Motilal Oswal Securities Limited, Nirmal Bang Securities Pvt. Ltd., Prabhudas Lilladher Pvt Ltd., Pravin Rattilal Share & Stock Brokers Limited, PRL Stock & Share Brokers Pvt Ltd-Pukhraj Lunkar, Religare Securities Limited, SAFAL Capital (INDIA) Limited, SBICAP Securities Ltd., Sharekhan Ltd., SMC Global Securities Ltd., Way2Wealth Brokers Private Limited.

Applications Supported by Blocked Amount (ASBA): Investors have to apply through ASBA process. ASBA has to be availed by all investors except Anchor Investors. For details on the ASBA process, please refer to the details given in ASBA Forms and abridged prospectus and also please refer to the section "*Offer Procedure*" on the page 555 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Forms can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Forms can be obtained from members of the Syndicate, SCSBs, Registered Brokers, CRTAs and CDPs, the list of which is available on the website of SEBI at www.sebi.gov.in.

Banker to the Offer and Refund Bank: Axis Bank Limited

Capitalised terms used, but not defined herein, shall have the meanings ascribed to such terms in the RHP.

For **LEMON TREE HOTELS LIMITED**

On behalf of Board of Directors

Date: March 17, 2018

Place: New Delhi

Group Company Secretary & General Manager Legal and Compliance Officer

Lemon Tree Hotels Limited is proposing, subject to statutory and regulatory requirements, market conditions and other considerations, an initial public offering of its equity shares and has filed the RHP with the Registrar of Companies, National Capital Territory of Delhi and Haryana. The RHP will be available on the website of the SEBI at www.sebi.gov.in, BSE at www.bseindia.com, NSE at www.nseindia.com and is available on the websites of the GCBRLMs and BRLM at www.investmentbank.kotak.com, www.india.clsa.com, www.jpiml.com and www.yesinvest.in, respectively. Any potential investor should note that investment in Equity Shares involves a high degree of risk. For details, potential investors should refer to the section titled "*Risk Factors*" on page 16 of the RHP.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, amended ("U.S. 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 or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.